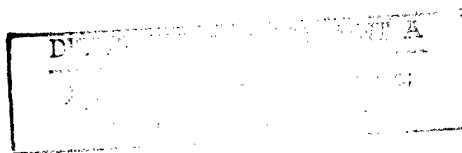


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26 MAY 1987

West Europe Report



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26 MAY 1987

WEST EUROPE REPORT

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POLL TREND INCREASINGLY DISMAL FOR NONSOCIALIST PARTIES

Copenhagen AKTUELT in Danish 5 Mar 87 p 16

[Article by Erik Meier Carlsen]

[Text] Unambiguous report from the opinion polls of the last couple of years: Conservative setback and nonsocialist majority only with the support of the Progressive Party.

Jørgen Gaul Andersen, election researcher, Århus University, has no doubts: the opinion polls of the last 2 years clearly indicate that the government and the Radical Liberal Party will lose their majority in the coming election.

Since the late summer of 1986, the Conservative Party has experienced a clear setback in the opinion polls, a setback which contributes to underlining the clear total message of the opinion polls of the last 2 years:

The majority of the current government will lose the coming Folketing election. The continuation, if any, of the Schluter government will depend on the votes of the Progressive Party.

"The government and the Radical Liberal Party have only once had the majority in the opinion polls since the last election," says Gaul Andersen. "And that was in conjunction with the EC referendum in February 1986."

Conservative Setback

"On the other hand, the workers' parties, too, have only once had the majority since January of last year. That was in May 1986 and only if the Left-Socialist Party is included, which at the time, got 2.0 percent of the vote and thus was on the verge of entering the Folketing."

Gaul Andersen says that a total evaluation of the opinion polls shows two clear trends: the Socialist People's Party will gain additional support, and--a fact fewer people have paid attention to--the Conservative Party has steadily lost support since June of last year.

"The Conservative setback is quite clear and steady. Since June the party has experienced setbacks of a couple of per mill monthly.

The Conservative gains have recently, to some extent, been counterbalanced by gains for the Progressive Party, which is now stronger than it has been for a long time. But also the socialist parties experienced good results in the polls last January and February," says Gaul Andersen.

Verner Sand Kirk, a graduate in political science and a member of the economic policy department of the Social Democratic Party at Christiansborg [parliament], has made a comprehensive analysis of the opinion polls since 1 January 1986, comparing the polls of four opinion poll institutes: Gallup, Observa, AIM, and Vilstrup.

Deviating from the Election Result

The result of the analysis seems to substantiate the justification of the method. Whereas the monthly polls of the various opinion poll institutes show large variations, the average weighted data in several cases show far clearer trends.

An important element of the analysis is the evaluation whether the polls prior to an election deviate systematically from the election result.

That seems to be the case:

In the last three elections, the opinion polls prior to the election (before the presentations in the television broadcasts), clearly underevaluated the socialist parties (the Social Democratic Party, the Socialist People's Party and the Left-Socialist Party) by between 1.3 and 2.8 percentage points. The nonsocialist parties, on the other hand, have been clearly overevaluated, first and foremost by virtue of an apparently systematic overevaluation of the Progressive Party.

On this question, Gaul Andersen says:

"The underevaluation of the socialist parties in the last three elections is surprisingly great and uniform. I doubt, however, that one may expect a corresponding underevaluation to take place this time as well.

Abstainers

In 1979 and 1981 the left-wing voters were probably in a fairly stable phase, and the nonsocialist alternative was rather unclear and unattractive. It therefore was not possible at the time to mobilize more nonsocialist voters than socialist voters, on the contrary. In the election in 1984, the nonsocialist government clearly provoked population groups which normally comprise a fairly large share of abstainers. However, the situation is hardly the same this time. The nonsocialist government has been less extreme and has, if anything, been pursuing a Social Democratic policy. On the other hand, the alternative of the socialist parties is not particularly clear.

That may mean a relatively great passivity among the voters of these parties and may thus mean that the opinion polls this time will not underestimate the voter shares of these parties."

Systematic Uncertainty

Gaul Andersen finds that the overevaluation in the opinion polls of the Progressive Party is due, among other things, to a major systematic uncertainty in the evaluation of the support of that party. For the question panels are composed, among other things, on the basis of people's information on what they voted for in the last election. That is to say, one selects an arbitrary section of the voters and adjusts for skewnesses on the basis of information on party choices. But on such a panel one nearly always gets only half as many to indicate that they voted on List Z as indicated in the election result. Gaul Andersen says that this is due to the fact that many voters do not like to admit that they voted on list Z. A panel may therefore very well comprise more actual Z voters than was originally intended.

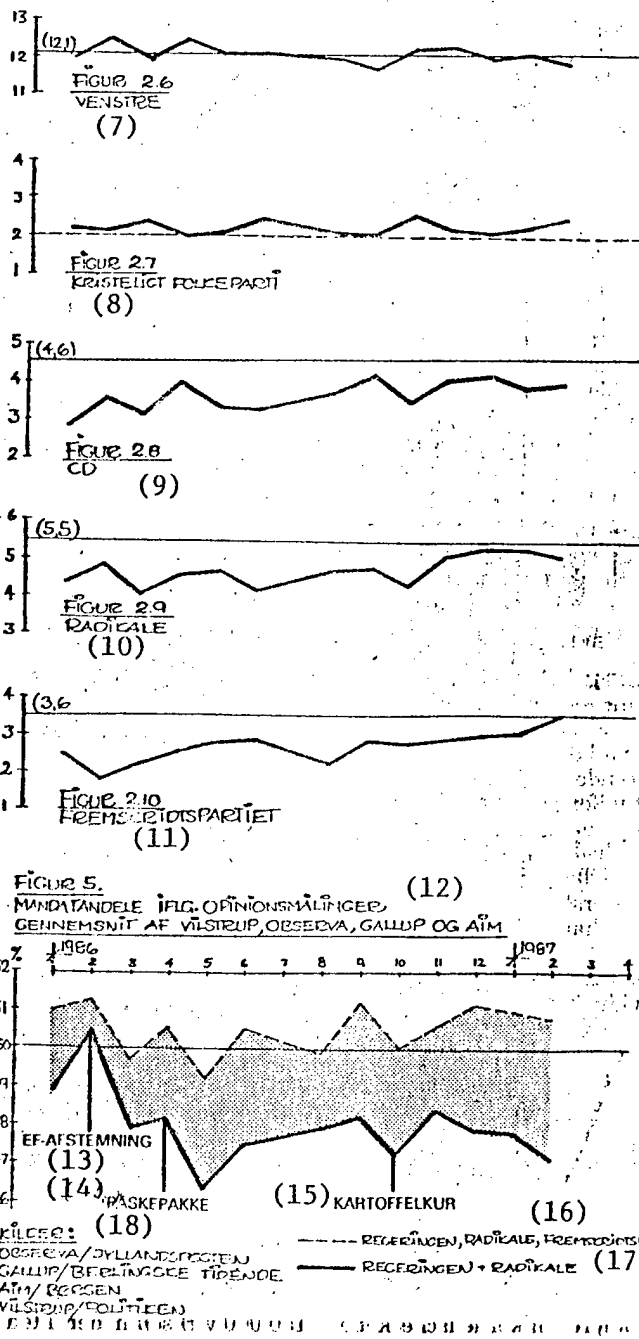
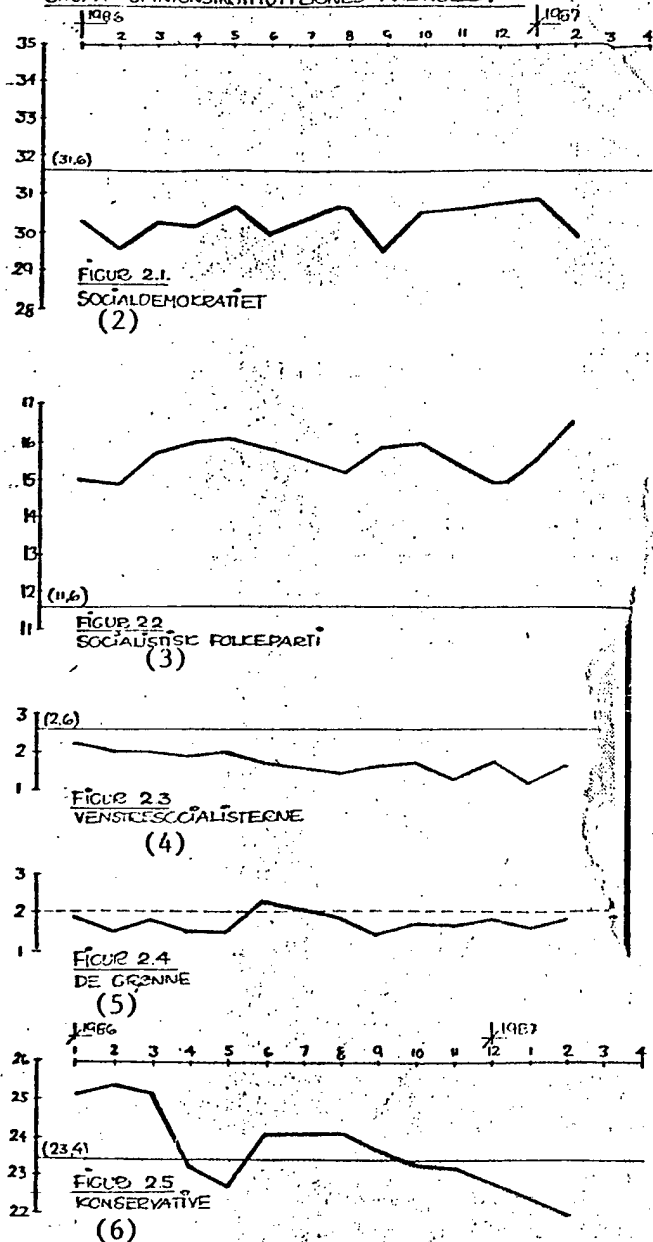
"The party, however, is in a very different situation this time than in the last three elections where the party experienced constant setbacks. There are now prospects of a certain strengthening, as indicated by the center-seeking government and a record-high tax pressure," says Gaul Andersen.

Schluter Wants to Use the Progressive Party

Prime Minister Poul Schluter has stated that his government will continue even if it would be on the basis of the votes of the Progressive Party. But it is a general political evaluation that such a government will only have a short lifetime. If the election result becomes such as is indicated by the opinion polls, the trend will probably be that after a brief interlude, a nonsocialist minority government will be formed, either completely Conservative, or composed of the Radical Liberal Party and the Conservative Party, political observers state.

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VALGET 10. JANUAR 1984.
GNS. AF OPINIONSINSTITUTTERNES MÅLINGER.



Key:

- (1) Voter trends compared with election on 10 January 1984.
Average of polls of polling institutes
- (2) Social Democratic Party
- (3) Socialist People's Party
- (4) Left-Socialist Party
- (5) The Greens
- (6) The Conservative Party
- (7) The Liberal Party
- (8) The Christian People's Party
- (9) The Center Democrats
- (10) The Radical Liberal Party
- (11) The Progressive Party
- (12) Number of seats in Parliament on basis of opinion polls.
Average of VILSTRUP, OBSERVA, GALLUP, AIM
- (13) EC referendum
- (14) Easter package
- (15) Potato diet
- (16) Government, Radical Liberal Party, Progressive Party
- (17) Government and Radical Liberal Party
- (18) Sources

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CS0: 3613/66

FOREIGN MINISTER ELLEMANN-JENSEN PROFILED

Copenhagen BØRSENS NYHEDSMAGASIN in Danish 20 Mar 87 pp 52-54

[Article by Arne Ullum Laursen and Vibeke Vestergård]

[Text] The arrogance of power becomes apparent when Foreign Minister Uffe Ellemann-Jensen castigates Social Democrats or opposes the decisions of the Folketing. Uffe Ellemann-Jensen makes persistent efforts to curb his quick and uncompromising temper. However, one has got to know him well to experience his sensitive character.

First Lieutenant Jensen was a poor loser in the fencing hall. "When he lost, he would always come up with a whole lot of good as well as poor excuses," says an officer who also participated in the fierce matches.

"Naturally, I hated losing. We fenced without protection. As a result, it really hurt when one got hit," the lieutenant himself says.

He later on became foreign minister, but the number of punches did not decrease for that reason. Stubbornness and a quick temper prevented him from laying down his arms when armed Social Democrats forced him to attend NATO meetings with protest notes.

The quick-tempered lieutenant, however, has received so many thrusts that he has gradually learnt to control his attacks.

"A number of the conflicts of the past were due to his quick temper. He has learnt to control it better," says Ivar Nørgaard, the EC spokesman of the Social Democratic Party.

"My tone is less biting than previously," says Uffe Ellemann-Jensen. "In time, one learns to control one's temperament."

On the international scene, Uffe Ellemann-Jensen has been applauded. A love for the composer Wagner and naughty stories have several years ago created close ties between Uffe Ellemann-Jensen and Europe's most experienced foreign minister, Hans-Dietrich Genscher. "He is an important partner to me in all international political issues," the German foreign minister tells BØRSENS NYHEDSMAGASIN.

When, on 1 November 1941, Jens Peter Jensen, milk carrier, returned to the farm of his father-in-law, he received the following message: "We have got a new farmhand of 6.5 pounds. He is in the bedroom." The midwife suggested that he be called Adolf. Instead he was given the name of Uffe Ellemann Jensen, which later on became hyphenated.

Little Uffe adored his maternal grandfather. Relatives claim that in temperament as well as appearance he becomes more and more like the Funen parochial magnate.

Already as a child, Uffe got to know many of the great politicians of the past. "Many visited us, and I often went to see my father, who was a reporter at Christiansborg [parliament]," he says.

As an Officer: Rather Clumsy and Uncompromising in His Leadership

Uffe was proud when on a summer day in the late forties he helped Mathias, the legendary minister's driver, get Trade Minister Jens Otto Krag's car out of the rut. "I got the idea of pouring water on the sand," Uffe Ellemann-Jensen says.

At Birkerød Secondary School, Uffe Jensen was popular among the girls when as chairman of the students's association, Athenæum, wearing Erik Ninn-Hansen's confirmation clothes, he addressed a few words of welcome to the guests at the "Cola Party."

The recruits of the Royal Artillery Regiment got to know the young first lieutenant's temperament. "He was a bit stiff and uncompromising as a leader," a former fellow soldier says.

He was also uncompromising when it came to playing card games. "He always staked too high, and when he lost, he would stake even higher," former fellow players state. "That is not true. It is a question of simple mathematics. When one loses, one has to make higher stakes to regain what one has lost," Uffe Ellemann-Jensen says.

Thanks to a part-time job in the Intelligence Service of the Defense Department, he lived at the Citadel in Copenhagen during the first 3 years of his studies. The part-time lieutenant had to keep an eye on the economic situation of the countries in the East.

In the mid-fifties SOCIAL-DEMOCRATEN published MINIAVISEN for children. "I participated as an 11-12 year-old, and my first task was to interview Prime Minister H.C. Hansen," Uffe Ellemann-Jensen says. "The pay consisted of red sodas from the Stjernen brewery and tickets for the bus and tram."

Uffe Ellemann-Jensen completed his graduate work in political studies during the intervals he got in his work at BERLINGSKE AFTENAVIS. "He did not spend too much time at the university," his father says.

As of 1971, the young journalist entered the living rooms of Danish families when he became an economic policy journalist of TV-AVISEN. He used his

elbows a lot during his rapid climb in the media world. "During those years, Uffe had only one thing in mind, and that was Uffe," a former colleague says.

The successful years on TV were followed by a less successful but instructive period as chief editor of the daily BØRSEN. After only 17 months, he was played out by opponents in the wings, who made clever use of the chief editor's lack of leadership and popularity. "The army leader dabbled in politics in the enterprise, and that caused repercussions," it was said.

As a Politician: Upset When Seeing a Social Democrat

Uffe Ellemann-Jensen chose politics when other things did not work out. In the fall of 1976 his plans for a news magazine were far advanced. When the investors learnt that others had the same plans, they withdrew. Uffe Ellemann-Jensen was again "jobless." He therefore accepted the offer when offered the fourth constituency of Århus.

The election became a nightmare to the new Liberal, who became a member of the party 2 weeks before his nomination. Knud Enggaard was beaten in the recount.

When the Social Democratic, Liberal government was formed in August 1978, Uffe Ellemann-Jensen was elected political spokesman. With his sharp tongue, he flatly rejected Conservative charges of "nonsocialist treachery." When the Social Democratic, Liberal government fell, he instead attacked the Social Democrats in a tone that was unusually sharp in the Danish democracy. Just as Store Klaus could not stand parish clerks, I believe that Uffe gets upset when he sees a Social Democrat," a fellow party member said. "It was my job to place the responsibility for the fall of the government," Uffe Ellemann-Jensen says today.

The Social Democrats have made him pay for it with nineteen foreign policy resolutions. In a speech at Sabro Inn, Uffe Ellemann-Jensen rejected the decisions of the Folketing arrogantly. He was rescued because the Radical Liberals gave expression to their confidence in the prime minister's report on the matter.

"It is the weakness of the foreign minister that he fails to show the respect for the Folketing that any minister should always show," a prominent Social Democrat says.

Uffe Ellemann-Jensen availed himself of the EC election campaign last winter to change his style and thus break down one of the most serious barriers in his relations with the Social Democratic Party. "The change of mate has been underway for several years," he says. "When the referendum came, I quite deliberately restrained myself enormously when because of my natural temperament I would have become very angry. I swallowed extremely many insults."

Several leading Social Democrats admit that the minister has improved, although they do not find the change as pronounced as the minister himself.

A Fellow Minister Who Conveys Common Sense

When the European foreign ministers meet, it often ends with warm laughter from Uffe Ellemann-Jensen and his German colleague Genscher. "They tell one another a number of naughty stories," a German correspondent says.

"It is not correct that he never took the wrong step--there simply are too many political banana peels for a new politician--but he displayed a convincing political sense and masterly handling of difficult political issues," the esteemed English FINANCIAL TIMES wrote after his debut as chairman of the EC Council of Foreign Ministers.

The British foreign minister describes him as sincere, courageous and direct. "He is above all a person who conveys common sense, and he does it with a wonderful sense of humor," Sir Geoffrey Howe tells BØRSENS NYHEDSMAGASIN.

Hans-Dietrich Genscher often refers to the Danish foreign minister as "my friend Uffe."

"I am gratified that he is given the Robert Schumann Prize," Genscher says. "I highly appreciate my Danish colleague and his pragmatic position on the problems in the East-West relations. He is extremely popular in West Germany, and warm, friendly relations exist between him and myself."

As a private person, Uffe Ellemann-Jensen is in his second marriage married to Alice Westergaard, chief editor. Off and on, Uffe Ellemann-Jensen takes a couple of days off to go canoeing with his 14-year-old son Jacob. "He is not a modern husband helping with the cooking," a close acquaintance says.

Relatives and close friends say that behind his facade as a politician, he is shy and sensitive. "He is sensitive if attacked as a person," it is said. "Among friends and acquaintances he often uses gallows humor. One has got to know him really well to reach the sensitive Uffe," a close relative says.

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CSO: 3613/66

COLUMNIST VIEWS PROBLEMS OF LIBERAL PARTY

Copenhagen BERLINGSKE TIDENDE in Danish 24 Mar 87 p 10

[Commentary by John Wagner: "With or Without the Liberal Party?"]

[Text] Quite unnoticed, last Wednesday, 11 March, it was 12 months since Prime Minister Poul Schluter reshuffled his government and 2 years since the founder of the Progressive Party, Mogens Glistrup, was released from Horserød State Prison.

Individually, but also in a certain context, it is a question of two events in Danish politics, the significance of which is worth noting retrospectively since many people have become wiser.

It was widely believed that the reshuffling of the government would strengthen it. That was not the case--at least it did not strengthen the government's reputation among the electorate (according to the many opinion polls that have been taken). This is, however, not due to the new ministers! How many of the voters know, incidentally, who became the new minister of housing or minister of energy?

The government's lack of increased support among the electorate is, if anything, due to problems involving "old-time" ministers who either have lost their former effectiveness or--what is worse--their credibility and an otherwise required efficient handling of less practiced fellow party members as well--and not least--a few ministers who simply are unsuitable as such, whether moved from one ministry to the other. In other words: the reshuffling ought to have been far more comprehensive.

In the light of this gloomy outlook for the government, it is after all quite encouraging that after his release, Mogens Glistrup has been unable to give new impetus to the Progressive Party.

One may thus perhaps discern light in the darkness, and there may thus be reason to mark both red-letter days.

When in the wake of the successful referendum on the EC package, Poul Schluter undertook the reshuffling of his ministry referred to previously, the largest party of the Four-Leaf-Clover government, the Conservative Party, was given new life. H.P. Clausen, Henning Dyremose, and Nils Wilhjelm have been prizes for the government and are together clearly better than their predecessors. At the same time, the continued high Conservative self-discipline supports what remains of the government's image as the stabilizing factor.

Things are different, as far as the second-largest government party, the Liberal Party, is concerned. The party which openly, and quite understandably, has problems being the second party. And the explanation is not only that the Liberal Party is a more ideological party than the Conservative Party, that Liberal politicians traditionally are more fierce fighters, and that several of the party's prominent politicians often get involved in fights (with the opposition as well as the politicians of the other government parties). The explanation is rather that most of the Liberal ministers occupy the wrong ministerial offices and that, in the long run, one cannot be both in opposition and in government.

As far as the first point is concerned, initially as minister of the interior and now as minister of agriculture, Britta Schall Holberg has apparently been given the ungratifying task of serving as an awful warning of what may happen when parties which traditionally safeguard a number of special interests (whether the interests of the many Liberal municipalities or those of agriculture) have to adapt to the conditions to which a minority coalition is subject. With a view to the cooperation within the government, the image of the Liberal Party and, in fact, the role of the agricultural organizations in the political process, the office of minister of agriculture ought never to have been given to the Liberal Party.

As far as the second point is concerned, that a party cannot in the long run be both in opposition and in government, it was interesting to read what the chairman of the Liberal Party, Minister of Foreign Affairs Uffe Ellemann-Jensen recently wrote in the party's quarterly LIBERAL. I quote:

"It may sometimes be difficult to keep up one's spirit when, as a Liberal, one sometimes has difficulty discerning the Liberal profile in the efforts of the Four-Leaf-Clover government. It is true that our results do not always resemble the platform of the Liberal Party as much as we would like them to do. We therefore have to concentrate our efforts in the coming months on drawing the attention to the positions of the Liberal Party and its platforms."

Uffe Ellemann-Jensen's statements reflect his diplomatic talents. Moreover, his statements were, no doubt, written for the purpose of assuring nervous Liberal voters that he has not either forgotten the traditionally distinct Liberal profile shown for decades in relation to the Conservative Party. But they remain dangerous in a situation where the true opposition, the Social Democrats and the Socialist People's Party, rely on internal disagreement within the government. In this very situation there certainly is no need for the government's second largest party to strengthen its profile at the cost of other nonsocialist parties. On the contrary!

And the traces of the involvement of the Liberal Party in the Harling government in 1973-75 as well as in the Social Democratic, Liberal government in 1978-79 ought to serve as a deterrent.

Incidentally, I find that the government, with the Liberal Party, ought to remain in office throughout the remainder of the election period.

7262

CSO: 3613/66

PCI DISSATISFIED OVER 1987 ENROLLMENT

Gain in Women Noted

Rome L'UNITA in Italian 17 Mar 87 p 16

[Text] Rome--At the meeting of those responsible for organization in the regional committees and the federations, held in Rome at the executive headquarters, the results of the membership card campaign as of 19 February, a campaign now in full swing, were examined. It was emphasized that in various federations, even large ones, results were achieved that were positive, and often better, in total and percentage compared to the same data last year.

This was true for the federations of Naples, Rome, Salerno, Avellino, Agrigento, Matera, Potenza, Isernia, Campobasso, Pisa, Massa Carrara, Arezzo, Grosseto, Parma, Rovigo, Lodi, Bergamo, Biella, Civitavecchia, and still more. In other cases, the result was about the same as the previous year. However, in many other cases there were declines, even considerable ones, particularly in many large and medium-size cities.

The figure for new memberships (though large) is not entirely satisfying. At this time, these new members total about 30,000, 2.3 percent of the total membership. There is a good result in women memberships (though a slight decline in total compared to last year): 331,089 comrade members, 1.2 percent more than at the same date last year.

Regional Committees	Enrolled '87 as of 19 Feb	%	New Members	%
MOLISE	4,412	86.55	292	6.62
EMILIA R.	349,862	85.73	4,203	1.20
LOMBARDIA	145,905	82.92	3,739	2.56
PUGLIA	47,370	81.72	2,108	4.45
UMBRIA	34,803	79.57	1,202	3.45
LIGURIA	52,215	78.54	887	1.70
MARCHE	40,346	78.32	776	1.93
SICILIA	46,689	77.93	1,978	4.24
PIEMONTE	58,510	77.90	1,353	2.31
FRIULI V. G.	16,155	77.31	318	1.97
VENETO	54,808	77.24	1,179	2.15
TOSCANA	177,147	76.86	2,503	1.42
BASILICATA	9,889	75.92	369	3.74
VALLE D'AOSTA	1,591	72.95	17	1.07
ABRUZZO	22,079	71.41	753	3.41
LAZIO	52,797	70.85	1,284	2.43
CAMPANIA	52,025	69.27	3,054	5.87
CALABRIA	25,115	66.91	783	3.12
TRENTINO A. A.	2,665	64.20	69	2.59
SARDEGNA	20,574	61.03	955	4.64

<u>Federations</u>	<u>Enrolled 87</u> <u>as of 19 Feb</u>	<u>%</u>	<u>New</u> <u>Members</u>	<u>%</u>
ISERNIA	1.928	93.28	142	7.37
LODI	5.479	83.23	208	3.80
FERRARA	34.885	89.60	630	1.81
TERNI	13.485	89.11	307	2.28
IMOLA	12.282	88.46	136	1.11
BOLOGNA	91.881	88.35	1.055	1.15
BIELLA	4.667	88.26	156	3.35
BARI	11.798	88.08	660	5.60
RAGUSA	5.871	88.07	437	7.44
PISA	20.397	88.00	323	1.59
PISTOIA	13.884	87.92	223	1.61
ROVIGO	13.882	87.51	260	1.87
FORLI	29.034	86.99	528	1.82
ANCONA	11.109	86.81	227	2.05
GORIZIA	4.041	86.78	65	1.61
RAVENNA	34.194	86.51	233	0.68
CREMA	3.047	86.42	100	3.28
MILANO	53.524	86.02	1.446	2.70
BERGAMO	7.748	85.90	267	3.45
MODENA	62.486	85.82	555	0.89
AGRIGENTO	7.284	85.11	347	4.76
MANTOVA	18.807	84.76	324	1.72
LA SPEZIA	14.409	84.75	283	1.97
VIAREGGIO	4.140	83.98	125	3.02
CREMONA	8.050	83.97	192	2.39
REGGIO EMILIA	50.410	83.96	442	0.88
TARANTO	8.744	83.95	354	4.05
BRINDISI	4.690	83.74	254	5.42
PIACENZA	6.075	83.22	121	1.99
BRESCIA	21.107	83.00	528	2.50
CAMPORASSO	1.146	82.69	66	5.76
LECCO	2.992	82.65	63	2.11
L'AQUILA	3.374	82.43	72	2.14
LIVORNO	24.450	82.28	290	1.19
UDINE	5.992	81.99	157	2.63
IVREA	2.023	81.91	47	2.33
TORINO	26.266	81.68	685	2.64
TERMOI	1.338	81.34	84	6.28
PADOVA	9.790	81.27	215	2.20
VENEZIA	15.028	81.17	404	2.69
GENOVA	25.654	80.56	414	1.62
ENNA	2.466	80.07	—	—
ALESSANDRIA	10.003	80.02	78	0.01
FOGGIA	12.391	79.91	487	3.94
VERCELLI	4.200	79.43	93	2.22
PESARO	18.455	79.05	329	1.79
SIENA	29.050	78.95	247	0.86
NOVARA	5.272	78.48	113	2.15
FERMO	3.393	78.31	79	2.33
GROSSETO	11.690	78.07	189	1.62
TIGULLIO	2.581	77.93	41	1.59
SIRACUSA	3.781	77.90	210	5.56
AREZZO	17.520	77.39	317	1.81
CATANZARO	8.462	76.82	676	7.99
MATERA	3.231	76.75	160	4.96
CATANIA	6.321	76.73	207	3.28
VARESE	7.681	76.63	186	2.41
PALERMO	9.797	76.51	237	2.42
AVELLINO	5.323	76.19	560	10.53

Federations	Enrolled as of 19 Feb	'87 %	New Members	%
BOLZANO	875	78.15	15	1.71
COMO	4.395	78.13	108	2.48
VICENZA	4.254	75.88	34	0.80
CHIETI	5.017	75.75	93	1.85
CALTANISSETTA	3.102	75.73	85	2.74
POTENZA	6.658	75.53	209	3.14
RIMINI	13.922	75.35	218	1.55
REGGIO C.	5.493	74.74	107	1.95
LECCE	9.747	74.69	351	3.51
CASTELLI	7.305	74.53	219	3.00
PERUGIA	21.318	74.52	895	4.20
MACERATA	3.870	74.38	51	1.32
PARMA	14.713	74.29	287	1.95
VITERBO	6.032	73.99	118	1.98
TERAMO	7.774	73.79	488	6.00
CROTONE	5.512	73.38	—	—
SALERNO	8.591	73.38	753	8.77
MASSA C.	6.198	73.17	117	1.89
CIVITAVECCHIA	1.857	73.11	75	4.04
AOSTA	1.591	72.95	17	1.07
OGLIASTRA	1.501	72.09	98	6.40
TRIESTE	3.764	71.91	54	1.44
LATINA	4.779	71.89	71	1.49
EROSINONE	4.444	71.70	138	3.08
MESSINA	3.018	70.55	121	4.02
PAVIA	12.320	70.52	302	2.45
SAVONA	7.091	70.51	89	0.98
TRAPANI	3.245	70.12	260	8.02
NAPOLI	30.215	69.98	1.228	4.08
RIETI	2.186	69.88	74	3.39
ORISTANO	1.889	69.42	108	5.81
CARBONIA	2.599	69.07	117	4.50
TREVISIO	4.887	69.07	72	1.54
ROMA	22.301	68.89	469	2.10
RELLUNO	1.923	68.65	48	2.50
TIVOLI	3.893	68.56	122	3.13
PRATO	7.301	68.55	118	1.59
FIRENZE	40.567	68.03	514	1.27
BENEVENTO	3.289	67.31	253	7.70
CAPO D'ORI	1.808	68.64	74	4.10
VERBANIA	3.118	66.27	82	2.64
SASSARI	3.820	65.81	219	5.73
OLBIA	1.403	65.35	72	5.13
PORDENONE	2.358	63.77	42	1.79
AVEZZANO	1.436	62.99	60	4.18
SONDRIO	755	61.43	15	1.99
PESCARA	4.478	60.83	62	1.39
ASCOLI PICENO	3.519	60.30	90	2.58
TRENTO	1.790	59.63	54	3.02
IMPERIA	2.480	58.08	80	3.23
VERONA	5.264	58.21	148	2.77
CAGLIARI	6.480	58.05	220	3.41
CASERTA	4.607	55.18	282	5.89
ASTI	1.588	53.43	51	3.22
LUCCA	1.950	52.42	42	2.18
NUORO	2.902	51.19	125	4.31
CUNEO	1.375	45.81	48	3.49
COSENZA	5.648	48.45	—	—
TOTALI	1.214.957	79.02	27.820	2.29

Substantial Rome FGCI Increases

Rome L'UNITA in Italian 24 Mar 87 p 16

[Text] The Rome FGCI [Italian Communist Youth Federation] reached and exceeded 100 percent in membership card issuance. The number of enrolled increased from 1,021 last year to 1,024. Of these, there are 342 young women and 257 recruits. One of the larger increases in members was in the League of Middle Students, which increased from 260 in 1986 to 346.

9920

CSO: 3528/103

VVD CONSIDERING MOVE TOWARD POLITICAL MIDDLE

Amsterdam DE TIJD in Dutch 27 Mar 87 pp 14-20

[Article by Tom-Jan Meeus: "The Mental Turnaround within the VVD: 'There Is Finally Someone Who Says How Things Should Be Done'"]

[Text] At one time Joris Voorhoeve was an active member of the D'66 [Democrats '66]--is that perhaps where he got those enlightened ideas about the course the VVD should follow? Or is it primarily his own position he is interested in? In any case, his party colleagues in parliament would very much like to move to the center, tired as they are of looking at the 'arrogant' CDA. But the rank and file wants to keep the party primarily 'clean'--hence, without Zoutendijk and for the time being preferably with the CDA. The liberals, who are still afflicted with conflicts, are at a crossroads. "In electoral terms, the VVD has no other choice than a coalition with the PvdA."

Oh yes, Maarten Engwirda still remembers it. "Joris and I were students together, both interested in foreign political relations, and both members of the D'66."

In the late sixties, Joris Voorhoeve, the current parliamentary party leader of the VVD, and Maarten Engwirda, the former parliamentary party leader of the D'66, were in complete agreement. They conducted politics in the Foreign Affairs Committee of the D'66. Engwirda commented: "At the time I asked him to become secretary of the committee, when I had become president. I can remember that at the time the party played around with the question of asking him to join the party leadership." Because Voorhoeve was a bright young man.

Recollections of his D'66 past came up last week when the new VVD leader expressed his desire--a flight? an act?--for the political center. He stated in a linear approach that his party should not let itself be pushed "to the right" of the CDA. Consequently, the VVD is moving toward the center. Did this show Voorhoeve as he always was? The Voorhoeve of the social liberalism of the D'66? Too bad.

"To tell you the truth," said Engwirda, recalling the past, "I do not believe that we ever talked about political strategies, about the place and progress of the D'66 in Dutch politics. And not about socio-economic policy either. We were exclusively interested in foreign policy." And Engwirda noted that in that respect Voorhoeve has changed over time. Following his period of study in the United States, in the mid-seventies, there was nothing left of D'66 member Voorhoeve. He had become a faithful hardliner, and remained so, even when he ended up in the Second Chamber, said Engwirda.

Post-Nijpels Era

In short, it does not look as if Joris Voorhoeve has put his old clothes back on again. But that does not alter the fact that his statements of last week loosened many tongues in the party. There was a remarkable atmosphere within VVD ranks in parliament and outside. There was relief, there was talk of a mental turnaround.

"Yes, that is true," confirmed VVD member of parliament Hans Dijkstal, for example. "After all, you do need some foothold in politics. You have to know what you are doing it all for, in what direction you are sailing. That was missing in recent years, I readily admit that." One of Dijkstal's colleagues spoke of "a small light in dark days": "Everyone feels somewhat like: how do we get out of that downward spiral, where is the end of the tunnel? Well, now there is finally someone, and no less than Voorhoeve himself, who says how things should be done. That offers at least a prospect." Foppe de Haan, president of the parliamentary union in Friesland: "We should hold the ropes more often. Make it much clearer that we are a social party. If you want to call that a middle course, then fine. I stand fully behind Voorhoeve in any case." And Klaas Groenveld, director of the Telders Foundation, the study bureau of the VVD, said: "Of course it must still be demonstrated what it means, but it makes the party think. That is good, that is something the party also wants."

But a tour of the liberals also demonstrated that the party is still struggling with the consequences of the Nijpels era. The mutual punctiliousness which brought an end to the Nijpels leadership has still not been silenced at all--even not now that one of the last Nijpels supporters, parliamentary party chairman in the First Chamber Guus Zoutendijk, has been pushed out of the party leadership. Distrust, lack of understanding, gossip--they still exist. And consequently, one of the many questions which determine the future of the VVD is how the poor mutual relations will be cleared up. Many parliamentary party union chairmen were much more intensely interested in this last week, during the meeting which cost Zoutendijk his head, than in the--also--troublesome results of the elections. Because, even though strategy may be an interesting game to play in the Hague, the VVD rank and file want their party first of all to be a clean party.

Old Story

At the height of his power in the fall of 1982, when the first Lubbers administration had just been formed, Ed Nijpels told the NRC *HANDELSBLAD* in an interview: "The VVD must hold on to its position in the political center."

"What do you mean the political center," asked the NRC, "who is on the right then?"

Nijpels' answer: "The CDA."

It is true then that the story Joris Voorhoeve told in Brabant's Haaren last week was not new. The story of the VVD as a center party is as old as the party itself. Liberals are neither rightwing nor leftwing. They are liberal, with a good nose for what is electorally attractive.

Example. With the advent of Wiegel in the early seventies, the postwar development of the welfare state ran into opposition from the liberals--up to then they had at most occasionally opposed it. Or, as was noted in a 1981 report from the Telders Foundation: "During the period 1948-1965, the liberals demonstrated a willingness to participate in the development of the 'welfare state.' They would continue to do so as long as the country's prosperity allowed it." And as long as not enough voters could be mobilized against it.

Thus, this mobilization took place in the seventies. Wiegel, who came from the JOVD [VVD Youth], followed Geertsema as leader and was lucky enough to be able to express liberal criticism of the welfare state from the ranks of the opposition. At that time, the party was growing like a weed, given that it was the opposite pole to the Den Uyl administration, which according to Dutch concepts was operating in a revolutionary manner. But was Wiegel's rethoric, pay for work done, a conservative response to the policy being conducted? Numerous political scientists later stated that the liberal leader practiced not so much conservatism as populism. Meanwhile he continued to embrace a number of rather important liberal items; that is not so difficult, as a matter of fact, for someone who conducts opposition politics.

Be that as it may, Wiegel made the VVD big: in 1977 the party won 18 percent of the votes. Later on that result improved even more, following another period during which the party was in the opposition: in 1982 Nijpels achieved 23 percent, once again following a campaign in which populism primarily dominated.

Tactical Grumbling

The disadvantage of a series of electoral victories based on such a foundation came out clearly afterwards: while other parties turned to such issues as "safety in the streets" and the "suffocating action of collectivism," thinking within the VVD was at a standstill.

Member of parliament Dijkstal noted: "Each time we were prisoners of the next elections. While our ideas became policy, we continued, based on proven electoral success, hawking those same ideas. That had a fossilizing effect on discussions within the party. You could also say that discussions were made impossible." Because populism also required that the party conduct itself the way the voters preferred it to: united, hence not debating among themselves. Via the 17 percent won by the VVD during the two last parliamentary elections, last week it won 15.5 percent in the states elections--still one percentage point more than Wiegel won in 1972, as a matter of fact.

Joop van den Berg, director of the Wiardi Beckman Foundation, the study bureau of the PvdA, got to know Voorhoeve in that capacity--before Voorhoeve landed in the Second Chamber he was director of the Telders Foundation. Van den Berg considered Voorhoeve someone "who is not anxious to open doors." "I also interpret his statements of last week more in that sense. I think that Voorhoeve wants to embrace populism and heighten the value of the party's thinking power. In that respect, the VVD has been at a standstill for some time. It remained limited to nothing but tactical rumblings. They used their stomachs more than their heads. And I think that Voorhoeve is someone who breaks through that. He is rather someone who wants to stimulate the intellectual power of the VVD."

Thus the party simply ended back in the pre-Wiegel position--populism ensured only a temporary power of attraction, while many liberals believe that there are possibilities to continue to increase that power of attraction: by exploiting the continued liberalization of society. It is precisely for that reason that Voorhoeve struck a sensitive cord among many VVD members. But before we go into this, it would seem a good idea to first further determine the position of the leader himself. Because, has he really become the only liberal leader?

Distorted Picture

There were four of them. The campaign for the states elections was to begin shortly. During the meeting of the VVD parliamentary party, the campaign strategy provided some speculation. And the four of them put into words what more and more VVD members were starting to feel: that Joris Voorhoeve should be appointed party leader, in order to put an end to the struggle with Rudolf de Korte.

They were Erica Terpstra, Theo Joekes, Benk Korthals and Hans Dijkstal. The latter is supposed to have said that we had a "somewhat distorted picture" of the events that took place during that meeting, but then added that it is true that for him Voorhoeve should be the first man: "Yes, partly because I feel that it fits in the constitutional relationships of the Netherlands for the parliamentary party president in the Second Chamber to be our political leader. That is why I fully support him in that." Thus, he rejects De Korte as leader? "At the present time, I do reject our leader being a member of the administration, yes."

Dijkstal's statement was far from revealing: there is a rather general feeling within the parliamentary party and the party itself that if Voorhoeve is not the leader yet, he will definitely become the leader. "I think that the only ones who are not yet convinced of that are Rudolf de Korte and his family," joked a parliamentary party member. President De Haan from the Friesland parliamentary union said: "It is best that leadership of the party be given from within the Second Chamber. Voorhoeve is good in terms of content, he can handle the matter. For Friesland he is already the new man." And his colleague, President R. Haafkens from the Leiden parliamentary union, stated: "It is better for Voorhoeve to do it, because De Korte is a minister, hence he is tied too closely to the government where an independent VVD voice is desirable."

Open Shot

And yet there are a number of skeptical VVD members, specifically within the parliamentary party, who feel that Voorhoeve has taken a rather open shot for leadership with his story about the VVD as a center party. "Because," reasoned one of them, "this involved a statement about the course the party should take, and such statements can of course be made equally well by De Korte. The fact that Joris took that step shows that he himself clearly has the ambition to become the sole political leader of the VVD." What is characteristic in this respect is that many parliamentary party members are convinced that Voorhoeve's statement was not discussed beforehand with De Korte. A fact which, as a matter of fact, fits with Voorhoeve's story that he had "not said anything new," even though all the excitement, including that in his own ranks, caused one to suspect differently.

But apart from all that, the mood within the parliamentary party was good when a 20 minute discussion was held last week Tuesday about his speech in Haaren. A follow up discussion was announced. But a large number of liberals did not want to wait for that and continued speculation in small circles.

The question of the "future of the party" was relieved of its gray cloak. Last year's steady downward trend in the elections and the accompanying internal whining had produced a depressing atmosphere. There did not seem to be any real solution at hand. The new coalition with the CDA once again conducted a VVD policy; the CDA continued its character assassination of liberals, at least materially speaking: the VVD could only get smaller.

During the period preceding last year's Second Chamber elections there was still hope that 30 or 31 seats could be won--it turned out to be 27. Most liberals felt that this was really the bottom--but no, the losses simply continued in the polls, and even the nationally oriented campaign for the states elections did not help at all; if there had been Second Chamber elections, the party would have ended up with 24 seats. "In spite of the polls, you continue to hope for better results," said President Ginjaar on the eve of the elections, "thus these results are a bitter disappointment."

Good Discussions

The end of the tunnel could come into sight with a new direction. But the enthusiasm about it within the party could quickly subside. As a matter of fact, things should be different in terms of content. And that is not an easy task. "Voorhoeve," said Groeneveld of the Telders Foundation, "will have to indicate more clearly what he has in mind. Does he want a position like the FDP in the Federal Republic of Germany? And what does it mean for the party's point of view? To be honest, I would not see it as a good thing if we were to adjust our positions on the basis of strategic considerations. You have to develop your positions on the basis of content, not because you think that in the short term they will help you attract voters."

Dijkstal noted: "You implement a change in direction only when you have thoroughly discussed it within the party."

"It does take time; so you have to take it. And then a new direction will develop by itself, with which you can then build a new image. But then we will also have to extricate ourselves from the government agreement and the electoral program, otherwise it would simply be impossible to carry on a good discussion; then we would not have any way to turn. Let us please avoid a situation where all of us will sit and stare at the upcoming election results without having held any debates."

Aversion to CDA

And yet that is one of the party's major problems. On the one hand there is support for the government policy laid down in the government agreement, a support which strongly embraces both VVD officials and their electorate, and on the other hand there is the need for further development of a profile, not in the least with regard to the CDA. Furthermore, every VVD politician in the Hague is very well aware in the back of his mind that especially Nijpels' anti-CDA attitude did not go over well in the party. Consequently, there is not a single member of parliament who would speak aloud about a different, let alone a more critical, attitude toward the CDA. The government agreement must be carried out faithfully, according to the rank and file, but in parliament aversion to the CDA is growing. Hence, those who expressed their feelings did so in the strictest anonymity--because in the VVD nothing is more dangerous than to walk in Nijpels' tracks. "What gets very distasteful," said one of them, "is the arrogance. The arrogance of: we in the CDA decide how things are to be done." And another said: "They know that we are having problems, and they take advantage of that. But then I think: you will catch up with yourself one of these days."

Revanchism is growing. But for the time being this is an unsuitable, somewhat impractical form of frustration. Meanwhile, Guus Zoutendijk knows all about that.

Long Series of Blunders

What surprised him so much, said Zoutendijk last weekend following his definite fall, was that the rank and file's grievances against his person had nothing to do with his work as chairman of the parliamentary party in the First Chamber. He felt that the criticism of his person was not very businesslike.

He was very right about that.

The criticism was more a question of feelings, of a difference of opinion about political manners.

Engineer E.M. Storm, president of the VVD parliamentary union of Rotterdam, was the first to publicly explain that Zoutendijk had to go. His explanation was simple and in all its simplicity very sincere, even though he masked the whole truth. Storm stated that during the last administration Zoutendijk had been a member of the party leadership, thus to be held responsible for a long series of blunders, and therefore he had to go.

The never publicly expressed but broadly--in virtually all parliamentary unions--supported criticism was that Zoutendijk followed Nijpels in his simplism, in the simply-be-yourself liberalism, which paired populism with an openly anti-CDA strategy, better known as defeat strategy. The failure of that strategy was primarily responsible for the sharp drop in the authority of the VVD leader, and thus of his party, especially when the strategy was pursued while the national leader Lubbers was many times more popular than Nijpels himself. Zoutendijk did not put a stop to it. Worse even, he supported the strategy even though Nijpels indicated more than once that it was the result of the frustration he felt in the first Van Agt administration because of the rigid cooperation with the CDA.

This was strongly resented in the "routine oriented" Zoutendijk. Because, reasoned virtually all the parliamentary unions, at the initiative of the one from Zuid Holland, this damaged the party's standing, it made the VVD into a cheerful club of faithful supporters. The VVD was no longer a clean party, the party's authority was at stake--as a matter of fact, not very businesslike, but very strong criticism indeed. And it turns out that this was already made clear to Zoutendijk at a very early stage, that is to say in the middle of last year.

It turned out that the relationships had become too sickly. Because even when it became officially clear, after February of this year, that the vast majority of the rank and file did not want Zoutendijk to return, the top leadership of the VVD continued to support Zoutendijk's candidacy.

This not only caused bad blood in the party, it infuriated many parliamentary unions. And the atmosphere between the cadres and the leadership became positively hateful when the party's vice president, Mrs E. van Raalte-Tuijman told the Hague newspaper HET BINNENHOF that she did not want to take the parliamentary unions' plans to drop Zoutendijk seriously. "I must admit to you," said President Haafkens of the parliamentary union in Leiden, "that I do not find that statement particularly proper. It is an unfortunate statement, very improper," he said in a civilized manner. And De Haan from the Friesland parliamentary union no longer wants to be too extremely critical, now that Zoutendijk has withdrawn anyway: "I felt that it was an overbearing statement--I won't say anything else about it." It would seem clear that the internal relationships have not yet been ironed out.

Still Hatred of Socialists

If Ginjaar or whoever were to succeed in getting the better of the internal problems, then a very interesting debate could develop among the liberals. Because the cadres may, on the one hand, feel that the current government agreement deserves faithful implementation, on the other hand they are not unhappy to see that the PvdA is becoming more realistic, "cleaner" if you will, and thus a more interesting government partner. An assessment which is also expressed within the parliamentary party--careful though--, specifically in the hope that "someday something will be worked out between the PvdA and us." The CDA on furlough from power--they would find that great.

The most important thing is that there is a realization that the cadres determine what happens. The "middle road" was accepted rather well there, if only because the respectable Voorhoeve proclaimed it. But surely, anti-socialism has not disappeared completely, has it?

De Haan from Friesland said: "No, I don't think that it has gone completely. You can easily call the party conservative on a number of issues, in the sense that it does not lend itself to whims of fashion. But on the other hand, I think that you do see that ever more VVD members are realizing that the culture in the PvdA fits us better." Haafkens from Leiden said: "Of course there are still people in our party who cannot even think about working with the PvdA. I myself do not like that hatred of the socialists at all, but again: it does still exist within the party. I think that it will only disappear as it becomes clear more often at lower levels that the PvdA and the VVD work particularly well together. In Leiden, for example, things are going very well. Who says that ultimately this cannot be done at the national level?

There is movement in it, only a little, but yet. Dijkstal probably had the strangest experience, which incidentally happened in Wassenaar: "It caused a tremendous shock when we suggested a few years ago there that we build a joint PvdA and VVD Council. We really had a rather substantial conservative element in our party. And I can still clearly see before my eyes that members meeting during which we made the switch. Of course it produced reactions: what on earth are you doing with those reds? But now, a few years later, all of that is completely in the past. Everyone now agrees that it was a good decision which turned out great for Wassenaar. Even the conservative element agrees with that--really!"

And yet leader Voorhoeve does not want to talk about a turnaround yet: a VVD shift to the middle? great, but taking leave of the permanent CDA partner?-- no. He feels that the VVD cannot be allowed to become the KVP [Catholic People's Party] of the nineties. Dijkstal does not agree with him: "I don't see why you cannot determine from one time to the next on the basis of the program who you will govern with. It is a question of content, isn't it?"

Strokes Under Wraps

The member of parliament received support from an unexpected corner. Professor G. Irwin, one of the researchers who carried out the National Voters Study on the basis of last May's parliamentary elections, noted therein that with its current profile in electoral terms the VVD can hardly look forward to better times. If the existing relationships are not intersected with problems concerning the implementation of the policy or a waning popularity for Lubbers, the VVD will decline to a 10 percent support, equal to that of the fifties and sixties.

Irwin said: "The middle road announced by Voorhoeve can bring changes to the electoral position of the VVD only if it chooses a coalition with the PvdA. To plead for a middle road without expressing preference for a coalition partner different from the CDA, would make no sense at all for the VVD. And the VVD really needs to do this anyway, in order to avoid being swallowed up by the CDA. You have to keep a few strokes under wraps because you do not know how the popularity of the leaders of the PvdA and the CDA will develop, and how successful the policy of the second Lubbers administration will turn out to be. Those factors are important. But if they develop in a way similar to that in previous periods, then the VVD will have no other option than openly to express preference for a coalition with the PvdA."

Wassenaar and the Hague are not far apart.

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CSO: 3614/59

DE KONING ON COALITIONS IN 1990, CIVIL SERVICE PAY

Amsterdam DE VOLKSKRANT in Dutch 24 Mar 87 p 11

[Interview of Minister of the Interior Jan de Koning by Arendo Joustra and Lidy Nicolassen; date and place not specified]

[Text] He speaks about the PvdA with the nostalgia of a former spouse. The provincial elections are still just barely over, and Minister Jan de Koning is already exhorting the political parties to prepare themselves for the formation of the 1990 cabinet. The minister of the interior (formerly that of social affairs and job opportunities) is of the opinion that the PvdA has to switch to a serious coalition partner, so that the CDA may be able to choose between liberals and socialists. "They may call us rotten fish, but when push comes to shove, then they have to collaborate."

[Question] Prime Minister Lubbers and you reacted in opposite ways to the results of the provincial elections. Prime Minister Lubbers said that governing would be difficult, and you said that things would turn out better than expected.

[Answer] If we assume that the coalition does not receive a majority vote, then I cite the fact that our socioeconomic policy up to the present time has been supported by the SGP, the GPV and the RPF. The same observation holds true for foreign policy. One cannot ascertain a priori that there could be a yielding to the small rightist parties without evoking tensions among one's own people. The same euthanasia question is making trouble for the CDA, but for the VVD as well, and it is causing tensions between the CDA and the VVD. Thus the possibility that something could be bargained away in order to gain support from the small rightist parties is very slight. If it does not succeed, we must table it.

[Question] Will the position on euthanasia change because of the tendency toward the center in the VVD, which can get support for it from the PvdA?

[Answer] That is not the idea. And that is the reason for the beautiful wording in the government agreement, which locks the door on that issue. Then you would have a cabinet crisis. The cabinet members in the two parties would be examining the wording very closely if something had to be redefined in the paragraph on euthanasia. There is very little room for change. I think that you have scarcely an inch of leeway in which to move.

It is much easier to make compromises on technical points. If the euthanasia issue gets into an impasse because of the necessarily detailed regulations, I see no problem in giving in to those objections by formulating more rules.

[Question] Does the VVD not have a few problems that stem from the fact that the CDA has moved farther to the right?

[Answer] The tragedy of the CDA is that in the eyes of the public, we always take on the shades of color of our coalition partner. If we govern jointly with the PvdA, everyone says that we have become too leftist. And if we govern jointly with the VVD, everyone says that we have become too rightist.

[Question] But that is not tragic for the CDA, but for its coalition partner. The VVD, on the other hand, is of the opinion that it is being crushed by the CDA.

[Answer] But they are doing very well in the government. The CDA has really been the ruling party for at least the last hundred years. And I can still not get very nervous about the next few years. What has the coalition partner of the PvdA always been? The CDA! They may call us rotten fish, but when push comes to shove, they have to collaborate.

[Question] And so the CDA will also be the ruling party for the next hundred years.

[Answer] That is going a bit too far for me. For this century, I don't see the likelihood of a PvdA-VVD coalition as the only alternative. Those two would not be able to endure one another. Then the PvdA would get pleurisy, and so would the VVD. But I am retiring on 1 September 1991, and it will be their problem then.

It is of vital importance for an atmosphere favoring a potential PvdA-VVD coalition to be reevoked. I said the same thing to Den Uyl also after the May elections last year. How is it now possible that it was so easy for Lubbers and me to form a cabinet in 1981 including both the PvdA and the CDA? Then there was no opposition from the CDA on that score. But if I had wanted to make a cabinet last summer with the PvdA, I would have been better off not to let myself be seen in the country.

Last year, time after time during the election campaign, I had to hold out against halls filled with CDA people who said: "Do say, sir: 'Never with the PvdA.'" I do not have that many principles, but one that I do have is that a coalition between constructive democratic parties should not be a priori impossible. Therefore, I believe that we must strive to reach the point where a coalition between the PvdA and the CDA is not burdened with a first mortgage of built-in resistance, aversion and repugnance.

It's fine to have political differences! But the crucial point is the psychological resistances. You will never be able to satisfy CDA followers who still remember quite well the happening in the assembly halls [in the Hague], where everyone turned his back on Lubbers. A large number of Christian Democrats are miffed about the fact that the PvdA is monopolizing the peace pol-

icy. For we have a peace policy of our own with precisely the same goals, only with somewhat different ways and means of arriving at them.

And then the constant hammering by the PvdA, accusing the cabinet of attacking people with the lowest incomes. I always say: "Excuse me, but haven't you made a slip of the tongue?" All incomes in the collective sector are "attacked" equally. And more than half of the incomes in the Netherlands [belong to the collective sector]. Of course, that is not so nice. That very complicated process of income composition has been translated by the PvdA in their hacking away at parliament into: "The people at the bottom of the wage scale are being picked on." And Christian Democrats, if they are at least halfway decent Christian Democrats, experience very unhappy feelings about being so accused.

[Question] But how deeply must the PvdA bow before the CDA in order to be an acceptable partner for it in 1990?

[Answer] On those points the PvdA will have to redefine its positions on peace and minimal wages and change its entire tone. My main point is that we must have no conflict with the VVD in 1990, nor with the PvdA for that matter, so that the formation of a coalition would be possible for both sides.

If we had had to form a coalition with the PvdA last year after the May elections, it would have come about, all right. But then it would have kept us fully occupied roughly till Christmas. With an enormous amount of misery, too. I really find it regrettable that this was not possible at that time, or only with a great deal of difficulty.

[Question] So it is not true that you want to cooperate solely with a "realistic" PvdA a la Kombrink?

[Answer] Kombrink has formulated the problem of the linkup between the incomes in industry and the payment of benefits in a very lucid manner. But there is a much greater problem, a much more sensitive problem, for the CDA as well, and that is the linkup within the government, between the salaries of civil servants and the benefits paid out to those who receive them.

In the early seventies the wage increases in industry could be followed by the government. For then every wage increase would yield so much more revenue to the industry in terms of extra taxes and social premiums that an equal increase in benefits and civil servants' salaries could be paid out of these.

This situation has changed. From 1972 up to and including 1986, the collective sector has grown by an average of two percent a year, and industry has suffered an attrition on the average of one percent a year. In round numbers one could say that industry has lost 500,000 people, and the collective sector has acquired 400,000 overall.

Now the civil service unions say that their salaries have to increase just as much as industrial salaries. So you can do two things: Dissociate the 3.5 million in benefit payments from the civil servants' salaries; or let those payments follow the same development as industrial salaries. Then you have reinstated the linkup, but in that case, too, you have a huge financial problem that will cost you many billions of guilders.

[Question] As far as you are concerned, civil servants could only follow the wage development in industry if the linkup between civil servants and those people who are entitled to benefit payments is broken?

[Answer] It should not be expressed in those terms. In this cabinet period, the cards have been shuffled and dealt. This means, of course, that the gap that has existed since 1972 will now continue for four more years. The differences are becoming greater and greater. We cannot solve this problem in a few years, either; we shall still be trying to do so well into the next century.

But it is vitally important that potential coalition partners give some thought to this problem already, now during this cabinet term. As far as I am concerned people should begin right now to prepare for the formation of the 1990 cabinet. The provincial elections have come and gone. All parties must realize that we are already building up toward the next coalition. If we do not now start to lay the foundations, there will certainly be no successful outcome during the actual period of formation.

[Question] Meanwhile the civil service unions called your presentation friendlier than Van Dijk's, but your message harsher.

[Answer] (laughing): Still harsher? I don't see how that could be possible. Well, it doesn't have very much to do with the person. I am not here because of my blue eyes; I am here because of De Graaf's blue eyes. As the most experienced undersecretary, he is able to run a department on his own. That is the only reason why I am sitting in for Van Dijk.

[Question] In the choice of Van Dijk for the post of interior minister, have you weighed the fact that he will have to be able to negotiate with the unions?

[Answer] (without irony): We have weighed the fact that Van Dijk has had experience as the minister of developmental cooperation, and that is the most difficult department.

[Question] The most difficult department?

[Answer] Yes, really. When I was minister of developmental cooperation, I learned to make decisions. I shall never know precise details about life in Tanzania, but I did make agreements involving over a hundred million guilders. In the department of social affairs, I always said: When I say A, Van Lede always says B, and Hans Pont says C. It never fails. But that makes life predictable.

[Question] But your message for the civil service people is harsher?

[Answer] At this time the only thing that we can say with any reasonable certainty is that the purchasing power will remain at the status quo. In the government agreement, two billion has been set aside, of which 1 400 million is earmarked for job redistribution and 600 million for wage adjustment for some categories of civil servants. We cannot afford to raise the salaries of all of them.

[Question] Unless you use that 1 400 million for it.

[Answer] I could not defend that in the House. I know very well that I have a certain amount of leeway, but one faces a difficult session of discussion in the House if the distribution comes out differently. Then you cannot hide behind the remark: "The wage-earners preferred it that way."

[Question] Such a government agreement turns the negotiations with the civil service unions into a farce.

[Answer] On the one hand we define our policy for four years, and on the other we say: "No, you can easily talk to us." Those two utterances cannot be made in the same sentence. This government agreement says that every setback must be compensated for in the department where it occurs. An additional billion for civil service workers can be allotted in a moment, but a billion in retrenchment is an awful lot!

[Question] Have the ministers already submitted their plans for eliminating 26,000 jobs?

[Answer] As of now I have received nothing. In the ministers' council I did utter a word of warning. I warned that 1 April is getting closer. Although I have the task of coordinating the plans, that means more than just putting a staple through a bunch of papers. Naturally, I look over people's shoulders now and then, but officially I still know nothing. In the ministers' council there was no reaction to my word of warning. At such a moment, the ministers always look straight ahead and appear to be deep in thought.

[Question] For you is your primary goal the retrenchments or a more efficient government?

[Answer] Both, plus a consideration of whether these things are happening in a reasonable way. Of course, I can say nothing against Mrs Smit: In the department for the maintenance of dikes, roads, bridges and the navigability of canals [Rijkswaterstaat] 50 people could be eliminated or you could have 50 too many. I know nothing about that. Besides, I would be sticking my nose into the responsibility that belongs only to the minister of this department. If they opt for the "easy" way of forced resignations, then they themselves must also lay out a certain amount in unemployment pay. All those ministers are sitting on their own budgets like the devil on their souls.

[Question] And if the ministers do not succeed in their charge?

[Answer] Then they get no more money, so they have to succeed. I am a strong advocate of departmental autonomy. Now it is advantageous to privatize, so they are turning en masse to the right and opting for privatization. That has great advantages and not solely financial ones.

[Question] Prime Minister Lubbers is much more flexible; he is figuring on a slower rate of retrenchment.

[Answer] Indeed, not a gloomy man, on the whole. It must have been a moment of depression for him.

[Question] Rumor has it that you will back out of politics when Van Dijk recuperates.

[Answer] I don't know who thought that one up. I can, of course, just go home and do what I have always wanted to do, read about the 19th century. But that century will not run away on me. No, I would simply return to the department of social affairs. De Graaf is also counting on that.

8117

CSO: 3614/58

LABOR PARTY STRUGGLING TO ACHIEVE RENEWAL

Rotterdam NRC HANDELSBLAD in Dutch 6 Apr 87 p 3

[Article by editor Hubert Smeets: "Socialists Prove Renewal Still Primarily Lip Service"]

[Text] Amsterdam, 6 April--The PvdA is being "renewed." Last week's 21st party congress in Amsterdam's RAI should have been the forerunner of that. Consequently, at the end of the congress the social democrats no longer sang the International; after all that is nothing but historical ballast. No, now they intoned, even though still with some difficulty and with little knowledge of the words, the feminist Marianne song.

But for the rest little has changed in the PvdA as yet. Therefore, the question whether a "renewed" PvdA will be different from the current social democracy will be able to be answered at the earliest only half a year from now. The 21st congress of the PvdA was not the appropriate time for that. The party leaders did not want that. The position of party President Stan Poppe and his fellow managers was that the congress should be relaxed. Too much discussion would only have confused the branches in the country. Given last month's Provincial States elections this was undesirable and was thus, to use the words of Wypke de Jong (the powerful secretary of the PvdA the Hague region)--who is from the same place as Poppe--effectively "blocked off."

Uncertain

Result: everyone, but really everyone, spoke with expectation about the "renewal." But what all of this will lead to remained uncertain.

Last Saturday during his closing speech, parliamentary party President Wim Kok emerged as the representative par excellence of the middle of social democracy. He once again made a civilized plea for opening up the blinds. The party should not be afraid of new ideas from the outside. That really will not lead to a "selling out of program items, let alone principles." Furthermore, if occasionally an old and familiar position were to be thrown overboard, an accounting of this would be given "within the party bodies," he said reassuringly. The fact that Kok expressed himself so cautiously last Saturday was not that incomprehensible. Obviously, the political leader of the PvdA cannot allow himself everything. Nearly all PvdA members must be able to recognize themselves to a certain extent in him.

But how long can this course be maintained? As a matter of fact, following last May's elections the PvdA ended up at a complicated crossroads. This did become very clear in recent days, in spite of all the tedium.

The now virtually unbridled desire for government power among the "forty year olds" in the party and the youthful hope of the Young Socialists that it should work out with the VVD in 1990, may yet be brought together. But it will be much less easy to forge a compromise between the older guard and these politicians of the New Left Era and after, who have been waiting in the wings for 10 years already. The generation of regional director Meine Pit--even though in favor of "necessary renewal," also refined in the old labor movement--is also still there. It was not for nothing that departing President Stan Poppe in his last speech, hammered home that the party must strive for "continuity and leftist renewal." A rather substantial challenge which at the present time, however, seems a little too much of a good thing and may well be impossible. Double thinking may be beneficial in the advertising sector, but in politics things are different.

Loyalty to the leftist direction (for the sake of the PPR [Political Party of Liberals], PSP [Pacifist Socialist Party] and CPN [Communist Party of the Netherlands] voters) and renewal because of the bourgeoisie in the middle will in any case require a form of acrobatic flexibility. Currently, the PvdA is not yet trained for that, according to RAI. That the official part of the congress did not allow itself yet to be tempted by such far-reaching options was understandable and natural. But that the so-called "background debates," the fringe meetings at night, followed the same pattern was indeed remarkable.

These debates were intended as engines for the internal party discussion. The three "renewal committees," which must make a report to the party next fall, were supposed to get the benefit from them. A fresh wind was supposed to be delivered from several directions by prominent guests, such as Arie van der Zwan (V&D), Joop den Uyl, Ruud Vreeman (Transportation Union of the Netherlands Trade Unions Federation), Flip de Kam (Socio-cultural Planning Office), Kees Kunshof (DE TELEGRAAF), Roel van Duyn (Green Party), as well as a few notoriously critical party colleagues, among whom Wim Meijer, Jacques Wallage, Hedy d'Ancona and Hans Kombrink.

It did not produce much. The breeze, considered to be so beneficial, did not really want to set in at those fringe meetings. Of course, the party colleagues did get quite a bit to chew on. From Wim Meijer, for example ("We must recruit toward the center; opportunities on the left are limited), Ed van Thijn ("To vote for a leftwing majority is to vote for the structural opposition"), and above all Arie van der Zwan ("The leftist movement has dug its claws too much into a mythical image of man, specifically that the worker is a pitiful individual. Ideas about basic wages are the typical fruit of this academic thought").

Rank and File

But if there is one aspect of the PvdA in the mid-eighties which did become clear during those fringe meetings, it was that the party's rank and file were in favor of "renewal" but were not yet willing to pay the price for it because the costs of it are still unknown. When opposition to the cruise missiles is mentioned--according to many people not merely positive for the government hopes of the party--the applause still sounds virtually like an ovation. If the VVD once again wants to head for the "middle"--which could be a challenge for a party like the PvdA in any case--the very recently elected party President Marianne Sint wonders in her second sentence whether the "declining VVD" really is the most "appropriate coalition partner" for the PvdA. Even though as a newcomer she had some credit at her disposal to express somewhat daring ideas and her pleas to once again pay serious attention to the young people currently alienated from politics gave her every opportunity to do so.

For all that, the youth had to make do with no more than noble intentions, put into words by Sint as well as Kok. The fear that the party with its craving for renewal could well roll into a dark hole still dominates people's minds too much.

However, if the PvdA continues to be afraid of that, then the "renewal" will still have numerous hooks and eyes. Luckily the party does still have some time: another three years. Given the current political position of the PvdA it would in a certain sense be to the party's benefit if the second Lubbers administration were to be able to carry on until 1990. Of course, its representatives cannot be allowed ever to let this be known within the Second Chamber hall and preferably not too often outside of it either. But those in politically unavoidable roles are not touching the fact that the social democrats are not yet ready with their "renewal." For the time being, people are primarily paying lip service to it. Or: how one political interest (its own catharsis) can be in the way of another political interest (practical opposition).

8463

CSO: 3614/65

POLL RESULTS SHOW PSD GAINS, PS LOSSES

Lisbon SEMANARIO in Portuguese 16 Apr 87 p 3

[Article by Maria Joao Vieira]

[Text] In surveys conducted between 2 and 8 April, when the crisis was already full-blown, the PSD [Social Democratic Party] is still the party with the largest portion of prospective voters: 42.8 percent. Between our last survey--conducted last February, before the censure motion by the PRD [Democratic Renewal Party]--and now, the PSD has shown a 3.4 percent gain. This confirms the analysis of SEMANARIO, which had been saying for months that the PSD was close to the 40-percent barrier, which it has now surmounted.

The CDS [Social Democratic Center Party] and the PRD have also made small gains since our last opinion poll. The CDS has another 2.1 percent of the voters and the PRD has another 1.8 percent. For the first time, the PCP [Portuguese Communist Party] and the MDP [Portuguese Democratic Movement] appear as two distinct choices for the voter--as a result of the end of the United Peoples coalition. Combining the votes of the two parties, we see a rise of 1.2 percent in the former APU [United People's Alliance]--a normal oscillation in the potential communist vote in all of our polls (see Table 1).

Comparing our opinion poll in February and this one, "abstentions" if the "elections were held today" have risen 7.5 percent. In the previous survey, 86.6 percent of the respondents were disposed to vote. Today, only 79.1 percent of the respondents said they would vote. In other words, 19.7 percent of those interviewed would not vote "today" and 1.3 percent did not know or would not say whether or not they would vote. Of the 79.1 percent who said they were prepared to vote, only 7.9 percent were undecided or would not say which party they would vote for. In February, 15.2 percent were undecided--7.3 percent more than at present. The conclusion is that, although abstentions have risen, voting intentions are now more clearly defined [with regard to choice of party].

The PS [Socialist Party] is the only one to suffer a loss (down 6.8 percent since February of this year), which is an indication of the scars left by the approval of the censure motion. In the PRD, as long as the rhetoric is directed to the Left, the results are more positive.

Table 1. Distribution of the Vote by Party (percentage)

Party	Election Res. '85	Survey * May '86	Survey * Sept '86	Survey * Nov '86	Survey * Jan '87	Survey * Feb '87	Survey * Apr '87
FSD	29.8	35.0	35.6	35.6	37.4	39.4	42.8
PS	20.8	25.6	24.8	31.3	30.3	29.6	22.8
APU	15.6	14.6	14.8	16.8	13.3	15.0	—
PCP	—	—	—	—	—	—	14.4
CDS	9.7	9.6	9.8	5.2	6.6	6.3	8.4
PRD	18.0	12.3	9.2	5.8	7.0	6.1	7.9
MDP	—	—	—	—	—	—	1.8
Outros	—	—	—	—	—	1.5	1.0
Branços	2.6	—	3.9	5.2	5.4	2.1	0.9

* The results obtained in the successive surveys are extrapolated, taking as the "universe" only those whose voting intention was defined in each survey.

Table 2. Political Profile (percentage)

Party	Party Voted For, Oct '85	Election Results '85	If Voting Today
PSD	27.4	29.8	42.8
PS	18.7	20.8	22.8
PRD	18.7	18.1	7.9
APU	16.2	15.6	—
PCP	—	—	14.4
MDP	—	—	1.8
CDS	9.8	9.4	8.4

Technical Note

Universe: People 18 years of age or older residing in Lisbon, Coimbra, Evora, Porto, Vila Real and Viseu. Sample: 602. Selection: random route method for household and Kish method for individual within household. Non-proportional sample, weighted in treatment of data. Method of interview: direct and personal, conducted in residence of respondent. Sample points: 120 starting points in 6 cities. Field work: interviews conducted between 3 and 8 April. Margin of error: plus or minus 4 percent for a confidence level of 95 percent when p equals 50 percent.

Table 3. Results of April '87 Survey (not extrapolated)

Party	Total	Sex		Age		Soc. Econ. Class		
		M	F	18-44	45+	A/B	C1	C2/D
How did you vote in Oct '85?								
CDS	9.8	12.0	7.9	8.6	10.6	28.2	4.7	1.2
PSD	27.4	36.2	20.1	24.2	29.6	29.5	28.8	25.2
PS	18.7	11.4	24.9	16.4	20.4	9.9	20.7	23.1
PRD	18.7	16.9	20.2	20.5	17.4	11.2	21.6	21.6
APU	16.2	15.8	16.4	23.6	11.0	15.3	13.7	18.2
Others	0.9	0.4	1.4	2.3	—	1.2	2.1	0
Blank	0.2	0.1	0.2	0.4	—	—	0.6	—
Don't know	1.2	0.1	2.1	0.7	1.6	0.6	1.5	1.4
No response	7.0	7.2	6.9	3.4	9.5	4.1	6.2	9.3

Would you vote in elections today?

Yes	79.1	87.9	71.7	80.0	78.2	93.2	86.3	65.0
No	19.7	11.1	26.9	18.6	20.7	6.5	13.2	32.6
Don't know	1.2	1.0	1.3	1.3	1.0	0.3	0.5	2.2
No response	0.1	—	0.1	—	0.1	—	—	0.1

How would you vote if elections were held today?

CDS	7.7	11.9	3.4	5.5	9.7	18.9	3.3	0.5
PSD	39.4	42.2	36.6	32.2	46.4	41.6	27.4	46.8
PS	21.0	16.3	25.7	25.6	16.5	15.1	31.3	18.4
PRD	7.3	8.4	6.2	10.5	4.2	1.0	22.5	1.3
PCP	13.3	10.0	16.7	16.6	10.2	13.6	2.4	21.7
MDP	1.7	1.7	1.7	1.6	1.8	2.1	0.8	2.0
Others	0.9	0.3	1.5	1.8	—	0.9	1.9	—
Blank	0.8	1.4	0.3	0.5	1.1	1.7	0.8	0.1
Don't know	5.0	3.9	6.1	5.0	4.9	3.8	6.2	5.1
No response	2.9	4.0	1.9	0.7	5.1	1.4	3.4	4.0

The PS and the PSD may have been "prejudiced" in this poll (see Table 2). In the October 1985 elections, 29.8 percent of the voters went with the PSD, but only 27.4 percent of the respondents said they had voted for the party in the last elections. Thus the 42.8 percent listed as voting for the PSD would be increased if the percentage of respondents who said they had voted for the PSD in the last elections corresponded to the 29.8 percent which the party obtained in those elections. In the same way, only 18.7 percent of the respondents had voted for the PS in the last elections, but the Socialists had won 20.8 percent of the votes in those elections. Here again, if the percentage of respondents who had voted for the PS had equalled the 20.8 percent which the party captured in 1985, the number of respondents who would now vote for the PS might have come to more than 22.8 percent.

The number of respondents who voted for the APU in 1985 is exactly equal to the sum of the percentages attributed to the PCP and MDP. The largest loss occurred with the PRD; whereas 18.7 percent of the respondents said they had voted for the PRD in the last legislative elections, only 7.9 percent would do so now.

If the results of this poll correspond to the percentages which would be obtained by the parties if elections were held today, the PSD and the CDS would have a majority of 51.2 percent.

6362

CSO: 3542/88

POLL SHOWS PSD FAR FROM ABSOLUTE MAJORITY

Lisbon 0 JORNAL in Portuguese 24 Apr 87 p 8

[Text] The PSD [Social Democratic Party] is certain of only 33.3 percent of the votes and the Socialist Party cannot even count on 20 percent. These surprising findings are the result of a survey of 1,200 voters, conducted by the ESEO (Socioeconomic and Opinion Studies) and commissioned by the Institute of Political Studies.

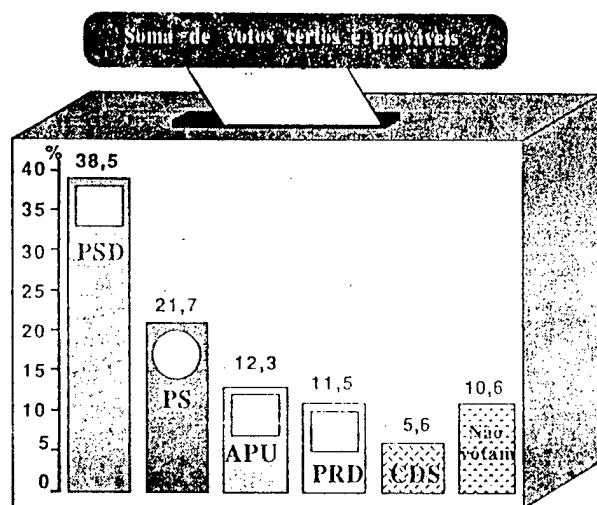
According to the same survey, combining certain and probable voters, the PSD would have 38.3 percent, the PS [Socialist Party] would have 21.7 percent and 12.3 percent would go to the APU [United People's Alliance] (the results for the MDP [Portuguese Democratic Movement cannot be evaluated, since only one of the respondents said he would vote for this party). The PRD [Democratic Renewal Party] would have 11.5 percent and 5.6 percent would go to the CDS [Social Democratic Center Party]. The distribution of certain and probable votes is as follows:

<u>Party</u>	<u>Certain</u>	<u>Probable</u>	<u>Sum</u>
PSD	33.3	5.0	38.3
PS	16.5	5.2	21.7
APU	10.3	2.0	12.3
PRD	9.4	2.1	11.5
CDS	4.7	0.9	5.6

These results do not take into account the non-responses and the undecided. Since these figures are usually distributed according to scientific criteria, Dr Mario Bacalhau, an expert who was invited by the Institute of Political Studies to assess the survey, made a projection which produced the following results: PSD, 34 percent; PS, 21 percent; PRD, 16 percent; APU, 14 percent; and CDS, 7 percent.

Curiously enough, none of the results would give an absolute majority to the PSD--which not even the leaders of that party expected--and they belie the notion of a PS recovery and a sharp decline for the PRD.

Graph: Sum of Certain and Probable Votes



Fonte: sondagem ESEO

In a conference held in a Lisbon hotel to divulge and discuss the results of the survey, Joaquim Aguiar argued that, from all indications, the election campaigns would be extremely important in determining the results. This was confirmed by Mario Bacalhau when he said that, based on his study of the survey results, the latter would indicate that the parties had managed to secure a commitment from about 1 million voters, "which might be turned around in an election campaign." In other words, the results following the distribution of the non-respondents and undecided voters are based on the principle that the parties would maintain their traditional zones of influence and that the power to attract the electorate is relatively fixed. The great beneficiary of this theory is seen to be the PRD. On the contrary, voters are seen to circulate in and out of the PS, which means that (according to the study) many PS voters would no longer vote for the party and many other voters would choose the PS for the first time.

Also according to the study, the strongest PSD zone will be Porto and the north in general (interior and coast) and the weakest zone would be the Alentejo and the district of Setubal. The best zones for the PS are the northern coast and Faro, Santarem, Castelo Branco and Portoalegre districts. Its weakest zone is Porto.

The same survey shows that the majority of the electorate is of the opinion that there should be elections. According to the ESEO study, 51 percent of the respondents argue that the president should dissolve the Parliament. Most of them are concentrated in the PSD area and, curiously, that of the PRD. Only 15 percent, most of whom are from the APU and the PS, would support a government of the opposition forces and 22 percent advocate a new Cavaco Silva government.

With regard to the assessment of the various political leaders, 49 percent of the respondents thought well of Cavaco Silva. The other leaders are far behind; Constancio is second, with 23 percent, and then Eanes, with 19 percent, while Adriano Moreira and Cunhal each have 17 percent.

With regard to negative opinions, Cavaco is mentioned only by 10 percent; Adriano Moreira, 16 percent; Constancio, 31 percent; Eanes, 39 percent; and Cunhal, 45 percent.

Mario Soares has a positive image among 62 percent and only 3 percent have a negative opinion of him.

More surprising is that, asked for whom they would vote if presidential elections were held today, 63 percent of the respondents said they would vote for Soares, as against 23 percent for Freitas.

According to the ESEO study conducted for the Institute for Political Studies, the PDS has held onto 85 percent of its electorate; the CDS, 80 percent; the PS, 92 percent; the APU, 92 percent; and the PRD, 68 percent. Thus the Renewalists are the only ones to see their electorate more scattered. The PRD would lose about 8 percent of its electorate to the APU; 4 percent to the CDS; and 13 percent to the PS.

The same study shows that the electorate has moved slightly to the Right. Positioning the Left at 1 and the Right at 10, the average voter is at 5.7, or a little right of center. The PCP is situated at 1.6, the PRD at 3.8, the PS at 4.4, the PSD at 7.0 and the CDS at 8.6. This means that the PSD has moved to the Right and the PS has veered slightly to the Left. Oddly enough, the PSD and PS are equidistant in relation to the electoral mean; the PS is 1.3 to the Left and the PSD is 1.3 to the Right.

Technical Note

Universe: residents of mainland Portugal, 18 years of age or older.

Sample: 1,200 respondents, selected by the random route method for household and the Kish method for individual within the household. The sample is non-proportional and weighted in the data treatment phase.

Starting points for selection of sample: 91 starting points.

Interviewing technique: personal and direct interview, using a structured questionnaire.

Field work: survey conducted between 8 and 20 April 1987

Margin of error: plus or minus 4 percent for a confidence level of 95 percent when $p = q = 50$.

Responsible institution: ESEO (Socioeconomic and Opinion Studies, Ltd.)

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PS' CONSTANCIO IMAGE SEEN IMPROVING

Self-Assurance Displayed

Lisbon SEMANARIO in Portuguese 11 Apr 87 p 7

[Article by Antonio Pinto Leite: "Anti-Latin Man"; first paragraph is SEMANARIO subheading]

[Text] Vitor Constancio's TV interview was the political event of the week. Five brief comments follow.

First, Vitor Constancio beat Eanes on television. There was no comparison between the two interviews. Constancio displayed a sense of confidence, ease and the ability to enjoy being in front of the cameras. Eanes, on the other hand, never managed to overcome his nervousness, spoke hastily and ended up second best at his own game.

Constancio also showed some ability, taking on in vain an arduous discussion of basic problems while Eanes retreated into distressing vacuousness, limited to his poorly articulated Social Development Program.

Second, it was impressive to learn the importance which the PS leader attaches to political analysts, in particular SEMANARIO's analysts. For nearly half the interview, he discussed the latest edition of the paper. This demonstrates the consistently intellectual approach Constancio takes to political issues.

Third, Constancio displayed uncommon self-assurance. He conveyed determination without brute force, he was convincing without being dogmatic and he displayed strength without being overbearing. It would be a mistake to underestimate the PS leader personally and take him for granted as a minor figure. To use a common cliché, he is not a "Latin man," but he is a man. I would say he is an anti-Latin man.

Fourth, his easy manner seemed to proceed from his consistent tendency to intellectualize, as mentioned above. He moves from one topic to another with the ease that only a total commitment to analysis brings. Everything is possible, everything is feasible, everything is normal. It's a fireside chat.

His tactics define him: his strategy is to take any approach with no direction.

Finally, an appraisal in perspective. Meeting anyone's needs depends on controlling his wants. If the PS and the Left could resist the moralizing mirage of change and knew how to control history's wants by being content with the game of politics, they could achieve popularity for years.

Victory over PRD

Lisbon EXPRESSO in Portuguese 11 Apr 87 p 3

[Text] The appearance of Vitor Constancio and Herminio Martinho on tv screens this week naturally evoked expectations: one or the other might offer important insights on the political crisis.

If this is what the viewers were expecting, they were disappointed: the same old questions remain.

However, some differences between the two interviews and the interviewees should be pointed out.

Constancio did particularly well.

Ever since his party helped bring down the government, part of the country has considered him an agitator. But now the leader of the PS seemed calm, reflective, moderate, speaking as persuasively as he did when he explained why the Socialists voted with the Renewal Party.

It was obvious that he had prepared well for the interview. He was able to say what he wanted, organize his speech to his best advantage and guide the interview, given the complacency of the interviewer on a nonconfrontational evening.

Constancio skirted the most delicate questions well, rambled on about issues with which he felt at ease, articulated well and did not once hesitate or make a mistake.

It is true that the interview turned up virtually nothing new and that the interviewee delivered no strong message, but he left a good impression and dispelled the idea that he had made a sudden and irreversible "turn to the left."

The same cannot be said of Herminio Martinho.

Having probably agreed to the interview reluctantly or trusted too much in his ability to face the cameras, he was not clear, contradicted himself more than once, even losing control mid-way through, and never recovered.

To be sure, he was grilled more than the leader of the PS, since he was subjected to questions from three interviewers, a situation that obviously disturbed him.

But it is also true that, unlike Constancio, he prepared poorly.

Thus it was that he had no answers to questions that he was sure to be asked, such as those about statements that Gen Eanes had made the day before.

In summation, while Constancio conveyed the image of a leader of a party calmly waiting on events, Martinho left the impression that the PRD is going through a stage of confusion, betraying a certain unease and insecurity.

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BRIEFS

MADEIRA-SOUTH AFRICA COOPERATION IN HEALTH--Pik Botha, South African foreign affairs minister, welcomed Bazenga Marques, regional secretary for social affairs of the Autonomous Region of Madeira, to Pretoria after an agreement was reached that doctors from the Health Department of the Madeira Archipelago will go to South Africa to intern at South African hospitals and thus gain experience with advanced technology and equipment. For its part, Madeira will make its broad experience in rural primary health care available to South Africa. According to Marques, this experience can be successfully applied to rural areas in South Africa, especially areas populated by blacks. The Madeira regional government official was invited by Botha to make a brief official visit to South Africa, and Marques, who is over the archipelago's Health Department, also sent a note to the foreign affairs minister, inviting the South African health minister to visit Madeira. Marques will convey the invitation to Health Minister Leonor Beleza. During the meeting in Pretoria, the regional secretary for social affairs brought up the subject of Madeira citizens who are in South Africa illegally. The South African official promised to convey his interest in the matter to his counterpart in the Ministry of the Interior. [Text] [Lisbon DIARIO DE NOTICIAS in Portuguese 9 Apr 87 p 5]

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PRIME MINISTER OZAL'S 'STATE OF COUNTRY' MESSAGE REPORTED

Istanbul MILLIYET in Turkish 1 Jan 87 p 10

[Prime Minister Turgut Ozal's State of Country message on the occasion of the New Year]

[Text] The 1980's have been years of rapid change for Turkey. In this period, our country has put its shaken democratic system back on track, saved its economy from bankruptcy, and transformed it into the fastest growing economy in the OECD....

As the government in power since 1983, we have put our energies and the country's potential to work, aware of the catching up that our country has to do in its economic structure, technical expertise, and political and social institutions. The opening toward the outside world--including such factors as free trade, making our entry into foreign money markets as a client in good standing, strengthening relations with foreign countries, and many others--has brought our development in line with the momentum of the modern era.

On the domestic front, we have strengthened the democratic structure by dispensing power and responsibility to the local government level. In politics, we have adopted a style which, to everybody's initial amazement, has remained above polemics and squabbles. This environment of mature debate has resulted in a further growth of the effectiveness of the national will.

We have completed to a large extent the laying of the foundations of a dizzying rate of development and change. This image of Turkey as a modern country based on these foundations will emerge more clearly in 1987. During the year, Turkey will become a country that has reduced the deficiencies in its infrastructure, possesses modern technology, has laid the foundations of a defense industry, entered foreign markets with fresh competitive power, uses modern systems in education, has strengthened its social mutual help and solidarity, assimilated recent economic reforms, established stock markets in the Western sense, set privatization into motion, achieved the status of a country that sells its goods on credit, and developed its relations with the Far East as well as the West and the Middle East.

We shall maintain growth. But our real aim is growth with modernization. In 1987 we will again make application for membership in the EEC as a step to

safeguard our democracy and economic stability. At the same time, our country's standing with other countries will also grow stronger.

When we come to the end of our term in office and usher in the general elections in 1988, we shall have before us a country in which there are no villages that are left without electricity and telephones, a country in which the TV channels are more numerous, in which the second bridge across the Bosphorous is complete, a modernized country in which democracy has grown strong, a country which enjoys high technology, and a country that has further opened its intellectual and artistic life to the outside world.

Opening up to the world is, in fact, a subject that will continue to require a constant struggle in the years ahead. Throughout the period of our term in office, we have striven to abolish a mentality that favored import substitution, put the accent on the state in industry, pushed exporting down the list of priorities, and regarded foreign investors as bogeymen. We shall continue our efforts in this field. But we must bear in mind that whenever the concept of "independence" was discussed in the last 60 years, it was always the "inward-looking and confined" option that was upheld as a model; views based on growing strong through opening up to the outside were treated as alien corn. Consequently, the average Turk was isolated from the concepts of opening up to the outside and of constructive competition in the fields of technology, industry, commerce, and art--concepts that held sway throughout the whole world. The measures we took to break down this inward-looking mentality met with considerable reaction. On the one hand, there was criticism of our realistic policy on interest rates, which put revenues of some 10 billion lira in the people's pockets; on the other hand, an uproar of gigantic proportions was raised regarding the money lost in the bankruptcies of private banks, despite the fact that the sum involved was equal to one one-thousandth of the revenues in question.

We witnessed the most bitter example of our attitude of suspicion and reserve toward foreigners in the case of the sale of building land to foreigners. The law was reversed by the Constitutional Court twice. The truth is that, ever since 1923, foreign citizens have been allowed to buy land or houses--including sites on the Bosphorous--either by establishing a company in Turkey or by becoming a partner in an existing company, even in cases in which there was no reciprocity agreement with the country of the foreign citizens involved. We passed a law to enable this process to be implemented directly, to ensure that foreigners could buy immovable property without making reciprocity a condition--just as is done in every country in Europe, including Greece. The extent of the reaction in public opinion was astonishing. Reciprocity in the true sense is out of question at present anyway, as Turkish citizens are not entitled to take money abroad for the purchase of a house.

Opening up to the outside world is unavoidable. We are exerting every effort to make the importance of this increasingly better understood. Our intellectuals also have an important role to play in this matter. I believe that pessimism and being shut within ourselves will drag us backward.

I can say that 1987 will prove to be an important stage in maintaining our stable growth while opening up to the outside. All the building blocks, both social and economic, of our reform are being put into place with the passage of time. Turkey is fast increasing its competitiveness in foreign trade and in the export of services such as contracting, and now, for the first time in many years, it is implementing an economic policy decisively and consistently. This is the route to making Turkey a powerful country in a real sense.

COMMENTARY QUESTIONS OZAL'S COMMITMENT TO DEMOCRACY

Istanbul HURRIYET in Turkish 30 Dec 86 p 23

[Coskun Kirca article: "The Constitution Is Not a Plaything."]

[Text] The Honorable Turgut Ozal intends to change article 175 of the constitution. And, if the bill to amend the constitution clears the Turkish Grand National Assembly [TGNA] with the votes of 201 deputies and goes on to win one more than the total valid votes cast in a referendum, it will go into effect.

In the recent by-elections, the votes of the Motherland Party [ANAP] fell to 32 percent of the total. While the ANAP is capable of obtaining the necessary votes for its proposals to change the constitution through the TGNA, it will no doubt need the support of the Correct Way Party [DYP] to win in the referendum as well.

What is not clear is why Prime Minister Ozal is seeking to make it easier to amend the constitution. Even if he were to come up with a definition of what he sought today, there is no knowing what sort of new amendments he could want tomorrow.

The requirement for a two-thirds majority for constitutional amendments is meant to prevent the changing of the rules of the game by just one group of players. If this rule is amended as Ozal wishes, it will bring about the serious possibility that every party that wins election with a large majority will be able, before its support is eroded while in power, to amend the constitution any way it wants. If this possibility is exploited, it will drag the democratic regime into outright instability.

The 1982 constitution is not unalterable. We think, personally, that there are many points in the constitution that need amending. However, the people who drew up this constitution and submitted it to a referendum thought, rightly or wrongly, that it would bring stability to the regime. Even if they have now seen that some of their expectations have been proven wrong and that there are compelling reasons to seek new remedies, they undoubtedly do not want whatever new remedies are found to become a plaything in the hands of one administration or another in the future. In Ozal's hands in particular!...

Ozal's devotion to democratic principles is suspect. His behavior over secularism is even more so.

He himself behaves with forbearance and even intimacy with regard to reactionaries within his party and outside it; and when it comes to circles that are very sensitive over the issue of secularism, he tries to placate them with the image of his wife. If Ozal thinks that he, or any party with a chance of coming to power, can easily obtain an open license that can be used to leave Ataturk's revolutions--particularly that concerning secularism--in tatters, that can only mean that he has learned nothing at all from the history of the republic.

The Democratic Left Party's support for Ozal's initiative defies reason. The Social Democratic Populist Party's refusal to support it is a sign of its perception of the danger. As for the Correct Way Party, we cannot even imagine it--in the light of its wealth of experience--embarking on such an adventure....

At all events, we believe that the day the ANAP leader--who has given proof of his considerable lack of appreciation of the concept of "state," to say the least, by referring to the president as "the poor fellow!"--attempts to change Article 175 of the constitution, he will come up against the veto of the president, whose task is to protect the republic.

When that happens, Ozal will need to find himself a three-fourths majority in the TGNA.

And when things go that far, the debate that will be unleashed in our country will no doubt prove sufficient to tell the prime minister that he is chasing after the unachievable.

It is impossible to understand why the existing ban on political activities of the former leaders--a ban that should be lifted as soon as possible--should be the subject of such shady haggling. As the president has said that he will not oppose the lifting of this ban, what is the purpose of haggling?

If Ozal and possibly others have truly serious and tenable views on the subject of amending the constitution, then these should be presented openly and discussed by all concerned. Also, the views of those whose duty is to protect the state--in other words, the president of the republic--will undoubtedly have to be consulted.

The only way this process can only be initiated and maintained is by acting openly and honestly.

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EARLY RETIREMENTS REPORTED IN DIPLOMATIC CORPS

Istanbul MILLIYET in Turkish Jan 87 p 8

[Kemal Balci report from Ankara]

[Text] Foreign Minister Vahit Halefoglu's New Year present to his staff has been a shakeup operation. In a two-paragraph memorandum, Halefoglu took the first step in an unprecedented shakeup in the history of the Foreign Ministry, suggesting that "ambassadors and consuls general at the ministry who are not on active assignment should apply for retirement."

A memorandum signed by the foreign minister and issued by the Personnel Department threw the Foreign Ministry into turmoil yesterday. In his missive, Halefoglu proposed that career employees in Grade 1, Step 4 now serving at the ministry headquarters who could not be appointed to active posts due to lack of openings should initiate proceedings for retirement. Halefoglu also issued an ultimatum to similarly placed career officers at the rank of ambassador or consul general on duty outside Ankara "to return to Ankara within 10 days to apply for retirement."

It is understood that 25-30 high-level officials will be affected by the Halefoglu shakeup operation, which has caused bewilderment in the Foreign Ministry. It has been noted in ministry circles that the "pushing to retirement by ministerial memorandum" operation, the first in the history of the ministry, may be "a compulsory reflection of overall government policy."

It is claimed that Foreign Minister Vahit Halefoglu has put this operation into effect in order to provide career prospects for younger officials. According to circles close to Halefoglu, another purpose of the memorandum is to persuade diplomats in consultant positions who live outside Ankara despite being state employees, and who only come to Ankara at the end of the month to collect their salaries, to reside in Ankara.

Foreign Ministry officials have said that "with the help of diplomats who comply with the appeal made to them in good will," it will now be possible to secure Grade I staff listings for young diplomats on active duty.

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COLUMNIST VIEWS GREECE, POVERTY, HUMAN RIGHTS

Istanbul TERCUMAN in Turkish 4 Jan 87 p 8

[Article by Agah Oktay Guner: "1987 Should Be a Year of Responsibility"]

[Text] This year is a time in which we need to behave with a sense of responsibility as a state, as a nation, and as individuals. Our country has entered this year under deteriorating conditions. The psychopathic rulers of Greece are constantly harassing Turkey in order to distract attention from their failures at home. The seriousness of the situation is better understood if we bear in mind that while Turkey is able to allocate only 4.4 percent of its national income to arms, Greece is allocating 7.1 percent of its own to the same purpose. Unfortunately, our relations with other neighboring states are not happy, either.

Turkey can overcome the foreign affairs difficulties and the abrasive cold-war conditions only by strengthening its national unity and solidarity. A sound social structure is also a prerequisite in the case of a hot war.

The state must adopt and carefully develop measures that will strengthen the social structure. The common values that constitute the elements of the national culture should be protected, and hallowed values should be respected. The national consciousness should be kept vigilant in the light of historical truths that have been experienced. The nation's energies should not be squandered in futile and useless exercises and slogans but directed to fruitful enterprises. The only way this can be achieved is through a modern and intelligent cultural policy.

There is a great need for rectifying the injustices in the distribution of the national income. The opposition that contends to be social democratic has collapsed. The government should make good use of this rare opportunity to apply itself to the problems of the working people, the pensioners, and the poor. Social policy measures must reflect a comprehensive, serious approach that transcends the "fund for the poor and destitute." All modern administrations of the Right have achieved this difficult task. Capital cannot function smoothly unless labor is ensured security of income.

The world as a whole is changing over to a concept of democracy based on "respect for the human being." This is what is at the bottom of the social

crisis that ails both the Soviets and the Chinese. Western man is stubbornly struggling to this end to hold the line under capitalism.

Turkey cannot stand apart from these developments. The restriction of political rights has become nothing but a shameful shortcoming for the administration. We wish the administration success, but we hope that success will not go to its head.

As a community and as individuals, we have an obligation to think before we speak, to avoid waste, and to shun lies and misleading statements. It should be realized that no one possesses a magic wand in Turkey. The unadorned reality of figures applies to everybody. Lasting success in this country is and will keep on being due to well trained cadres who have an excellent grasp of the issues and who can set in motion all the might of the state on the road to tackling the problems. The state, in our age, can serve the nation fruitfully through well-trained cadres of balanced individuals; it is no longer dependent on legendary personalities to do so. We shall be at peace, productive, and strong in proportion to the extent that we realize the seriousness of the difficulties Turkey faces and must overcome in 1987. Let us wish all of us a year in which we conduct our lives with a consciousness of responsibility, praying that God will protect our country from hunger, lies, and the enemy.

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MINISTRY STUDY INDICATES CONTINUED FALL IN PURCHASING POWER

Copenhagen BERLINGSKE TIDENDE in Danish 1 Apr 87 p 3

[Article by Carl Otto Brix]

[Text] The study by the Budget Department shows a clear decline in the purchasing power of the individual Dane throughout the eighties. Only pensioners are unaffected.

Throughout the eighties only pensioners have been able to purchase approximately the same amount of goods for the money available to them. All other population groups have experienced a noticeable decline in their purchasing power.

This appeared from a study undertaken by the Budget Department of income and consumption trends from 1974 to 1984 by means of the EDP model by the name of ADAM.

There is a minus practically throughout the various tables showing how things have gone for the Danes in the course of the last decade.

The available real wages for an industrial worker have dropped from 1983 to 1986 by 1.7 percent, for a salaried employee within the industrial sector the decline is somewhat less, while the decline for an employee within the public sector has been 2.5 percent.

To the "typical" unemployed, the available real income has dropped by 4.3 percent, while the "typical" pensioner remains more or less unaffected with a slight increase, for the married as well as unmarried unemployed.

The study examines four families earning between 300,000 kroner and 400,000 kroner each (both husband and wife working), and even if the study warns against regarding these families as fully valid examples of how things have gone for the Danish family, the figures are unmistakeable. Their purchasing power has dropped by between approximately 1.5 and 3.5 percent during the last 3 years, but it should probably be pointed out that some families experienced an even greater fall in their purchasing power in 1980-82.

CITED CUT IN GOVERNMENT SPENDING UNDER SCHLUTER SEEN AS 'MYTH'

Copenhagen BERLINGSKE TIDENDE in Danish 22 Mar 87 p 17

[Commentary by Frank Dahlgaard: "Nonsocialist Cut a Myth"]

[Text] The expenditures of the public sector have increased by 10 million kroner daily during the government period of the Poul Schluter government.

It is a myth that the expenditures of the state and the municipalities have been cut during the nonsocialist Four-Leaf-Clover government.

It is a fact that the total expenditures of the public sector (in terms of fixed purchasing power) increased by 18.7 billion kroner from 1982 to 1987. That is equivalent to an increase in the expenditures of the public sector of well over 10 million kroner every single day that the Poul Schluter government has been in power.

The original target of the government's budget policy was to reduce the total gross expenditures of the public sector by 3 percent from 1983 to 1984 and, subsequently, to maintain the expenditures unchanged at the lower level. The graph shows that this policy was a failure from the very start.

Instead of a decline in the expenditures of the public sector by 3 percent from 1983 to 1984, there was a minor increase. Until the end of 1985, however, the growth rate of the public expenditures was moderate, but during the last couple of years, the trend has accelerated: An annual growth rate in public expenditures of approximately 2 percent (in terms of fixed purchasing power).

The expenditures of the public sector are today well over 8 percent higher than the original target of the government. This is equivalent to an increase in the public expenditures of 26 billion kroner over the original target.

The expenditure estimate of the government has thus been exceeded by 26 billion kroner!

The expenditures of the public sector in 1987 are 5.6 percent higher than the expenditure level during the last year of the Anker Jørgensen government (1982). In terms of fixed kroner and ører, this is equivalent to a growth rate in the total expenditures of the public sector of 18.7 billion kroner during the period in which Henning Christophersen and Palle Simonsen have held the office of minister of finance.

Deceived

Against this background, it is amazing that the government has succeeded in conveying the impression to the population that the public expenditure policy has largely been successful.

As will be seen from the graph, the expenditures during the Four-Leaf-Clover government increased considerably less than during the previous Social Democratic government. However, this does not alter the fact that the budget policy has been an indisputable failure in the light of the Four-Leaf-Clover government's own original expenditure policy.

The reason why it is extremely difficult to put a halt to the growth in the public expenditures is that the expenditures in some areas grow by themselves. For example, an increasing number of pensioners means that the national pension expenditures will increase automatically. In order for the total public expenditures to be kept at an unchanged level, the increased pension expenditures thus have to be covered in other areas. In other words, increased savings are required merely to keep the public expenditures at an unchanged level.

But that does not work. It thus appears clearly from the government's own budget report of 1984 (pages 15-16) that the original aim was to reduce and maintain the gross expenditures at a lower level, not the net expenditures.

As early as 2 years ago, the government was criticized for the failure of its modernization program for the public sector to show any results. At the time, Palle Simonsen defended his policy with these words: "It does, indeed, take time for concrete results to emerge. In 2 years we probably will be much farther. We shall then be able to show results." (POLITISK UGEBREV 25 February 1985).

Two years have now gone by, but where are the results, Mr. Simonsen?

Press Failing Its Task

The much discussed savings policy is a myth that is being kept alive by the government as well as the opposition:

As indicated, the government has an interest in concealing its failure in the area of its expenditure policy. And the Social Democratic Party and the Socialist People's Party have an interest in conveying the impression of an antisocial government, which cynically makes cutbacks affecting the weak members of the society.

In the face of this two-sided propaganda, the press has failed its task. It has conveyed the false messages of "major savings" both from the government and the opposition without criticism.

Most recently, Minister of Social Affairs Mimi Jakobsen was permitted to make the unchallenged statement that "we really are unable to continue our cutbacks."

Obvious areas of savings, however, have not been exploited during the Schluter government: For example, the declining number of school-aged children has not brought about a downward adjustment of the number of school teachers. On the contrary, the number of teaching jobs in elementary schools has increased during the last couple of years, while the number of students has declined. It is an open question whether this improvement in the standard has benefited students or teachers.

But it is an indisputable fact that the expenditures per student have increased.

Smoke Screen

The government has concealed its failure in the area of its expenditure policy in various ways:

The objective of reducing the expenditures by 3 percent was quickly abandoned, and a couple of years ago, the goal to maintain the public gross expenditures at an unchanged level was also abandoned. Since then they have been content as long as the net expenditures did not increase. In other words, the government has accepted a continued growth in the gross expenditures (and thus the consumption of the personnel of the public sector), as long as income coverage is obtained by way of fees, dues, charges, and consumer payments.

Today the minister of finance defends himself by stating that this was part of the budget reform that was carried through. The government seeks in this way to make a virtue of its own slack expenditure policy.

This incredible claim came last week in reaction to the desire on the part of politicians of the Liberal Party to put an end to the growth of expenditures.

The minister of social affairs said, among other things: "It is entirely unrealistic to save more. I have now been a member of the savings gang for 5 years in my capacity of a member of the government. We have tried every possibility. And I do not feel like listening to requests that we now have to save ... I do not find that we shall be able to save more."

Apparently, Isi Foighel, the Conservative minister of taxes and public revenues, is of the same opinion. His reaction to the new shop of the Danish Cooperative Consumer Society south of the border was, to put it mildly, annoyed. On the TV news program, the minister asked indignantly where the Danish Cooperative Consumer Society wants to make cutbacks in the public sector seeing that they find the indirect taxes too high.

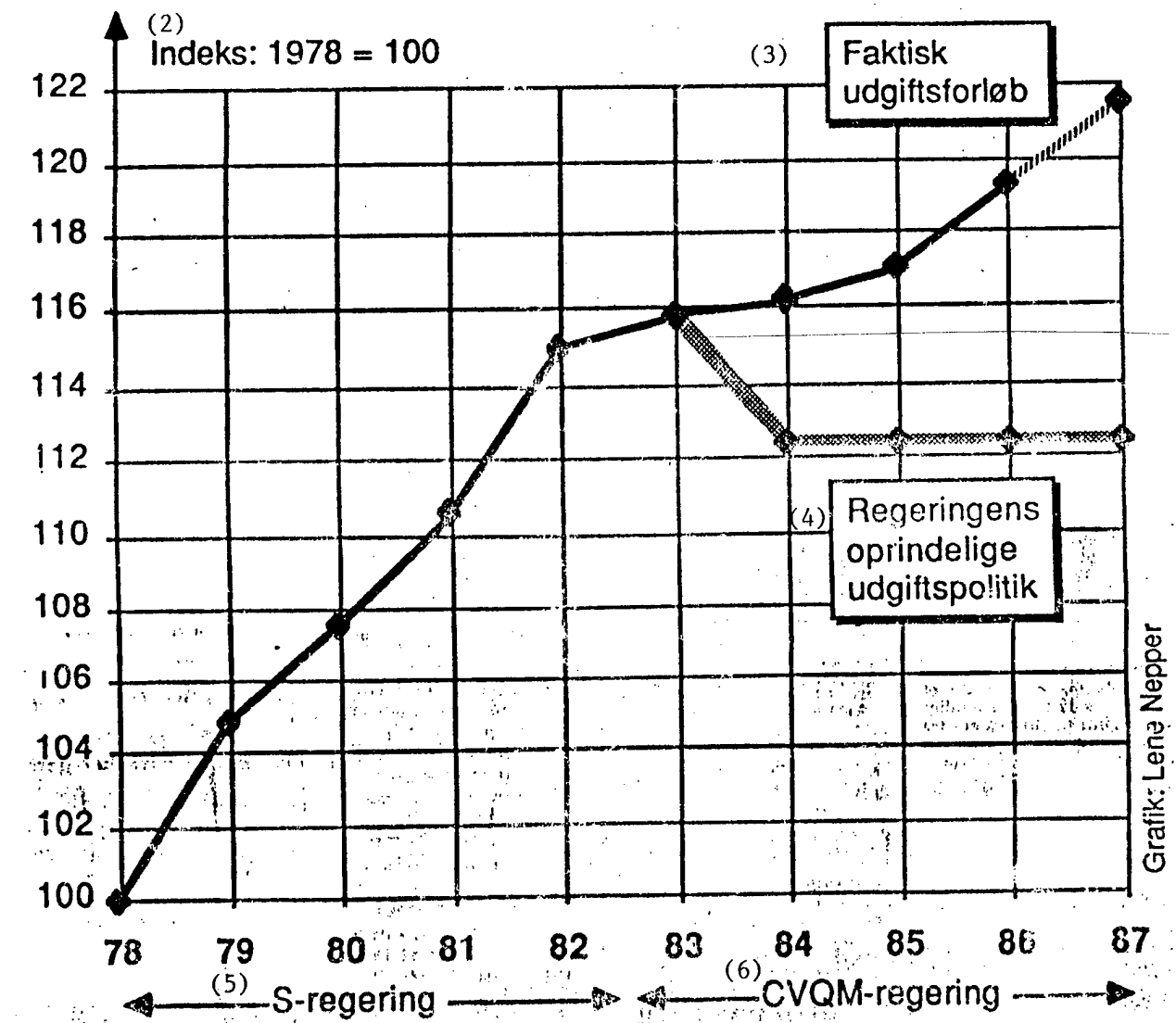
It is a new feature in Danish politics for a minister in this way to ask a chain of shops for political directions. One only does this if one does not have a policy of one's own. Or dare not have one.

Imagine if the population was told a bit about the realistic world in the television newscasts, that there have been no savings, and that expenditures on the contrary have increased, also under the Four-Leaf-Clover government.

Imagine if the TV news program began a critical study of what the population actually has got by way of extra service for the 16,800 additional full-time jobs that have been created within the social institutions of the municipalities and the counties during the time that the Poul Schluter government has been in power.

Imagine if one got a bit of research efforts on the part of the journalists for one's license fees and not merely a black screen or an uncritical delivery of the government's or the opposition's political propaganda.

(1) Udviklingen i de samlede offentlige udgifter 1978 - 1987



The above graph shows the total increase in fixed municipal and state gross expenditures during the last decade. Source: calculations based on the last three Budget Reports of the Ministry of Finance: Budget Reports 1984 (pages 15-16 and 52-55), 1985 (page 29), and 1986 (table page 28).

Key:

- (1) Total public expenditure trends 1978-87
- (2) Index
- (3) Actual expenditure trends
- (4) Government's original expenditure policy
- (5) Social Democratic government
- (6) Four-Leaf-Clover government

TRADE WITH IRAN, IRAQ EXAMINED

Copenhagen BØRSENS NYHEDSMAGASIN in Danish 20 Mar 87 pp 20-21

[Article by Pernille Stensgaard]

[Text] The Muslim fratricidal war between Iran and Iraq is entering its 7th year. Amidst the chaos of war, Danish industrialists sold products to Iran for 854 million kroner in 1986. Exports are on the increase.

Denmark is keeping a low profile in carrying on its business in the Middle East. We trade with both partners in the savage Indian Gulf war, which is now entering its 7th year. Danish enterprises do not want anything printed about it. They keep a low profile. "Both Iran and Iraq are quite well aware of the fact that we sell our products to both of them, but they do not want to see it in print. They are very sensitive in this respect," says the information chief of a large Danish enterprise, which asks to remain anonymous. "Our orders are very large, and it would really hurt us if they became annoyed with us down there."

"A number of the enterprises operating in the Middle East find that Denmark therefore ought to keep a low profile. And avoid offending either of the war lords. The spiritual leader of Iran, Ayatollah Khamenei, and his hierarchy follow closely the way they are treated in Western mass media. For this very reason, the Iranian market, in particular, becomes complicated. Manifestations in the Western press are regarded as emanating directly from the government.

It is easy to get on bad terms with the country. In mid-February, a satirical show on the West German television released a major crisis between the two countries: the television feature lasted for 14 seconds and conveyed the impression that the Ayatollah was given naughty underwear by female admirers. That was not well received in Teheran, which immediately expelled high-ranking diplomats and demanded a long series of official apologies. Denmark has not yet offended Iran in such a way. "We are one of the more moderate, nice countries they can use," says Christian Wittenkamp, a consultant with the Federation of Danish Industries.

Myths thrive in conjunction with the Muslim fratricidal war. The fights are presented as if it were a question of a religious war in the Middle Ages

between two countries in total dissolution. But in the midst of the chaos, Danish business people sold products to Iran for 854 million kroner in 1986-- nearly 1 billion kroner, including export grants, an increase of 20 percent over the previous year. The counterpart, Iraq, takes the seventh place in the Middle East, purchasing for 330 million kroner.

Fourteen Hundred Danes Approached Teheran and Baghdad Last Year

"The export conditions of the two countries are difficult. That is why we perform part of the work of the enterprises," says Mads Sandau-Jensen, commercial attache of the Ministry of Foreign Affairs. "We go out and represent them in about 70 percent of the cases. The largest ones need to be there themselves and to have personal contact with their customers."

He says that 1,400 Danish business people last year approached our embassies in Iran and Iraq directly to talk business. By far the largest number in Teheran, Iran. "We urge Danish exporters to take an interest in the Iranian market. The country has a great potential for Danish agriculture and industry," Mads Sandau-Jensen says.

Things look different for Iraq. The country has difficulties in paying its debt and is therefore on its way out of the sphere of interest. At the moment, they negotiate with the banks of the individual countries to have their credit terms extended. The export credit board only helps if the Central Bank in Baghdad guarantees the amount through a banker's credit.

Deals with Civil Servants--Not With Priests Dressed in Black

In the vast majority of cases where Danes do business with Iran and Iraq, they negotiate with a government office. The war has caused the imposition of strict import controls and a very rigid list of priorities. Due to the decline in oil earnings by 50 percent, the money is spent on basic necessities. The following order in Iran: the war, basic foodstuffs, medicine, spare parts. Sixty percent of Denmark's export to the country consists of Feta cheese, which is high on the list of basic necessities.

"In the government office in Teheran are highly educated people who know what they are talking about," says Jens Kjær, director of the export company of Ørum Dairies. "It is not a more difficult market than many others. We know with whom to do business, and we are welcome down there."

This impression is shared by Mads Sandau-Jensen of the Ministry of Foreign Affairs. "We do business with quite ordinary civil servants," he says. "There is nothing in Iran to prevent us from visiting them."

At the Danish embassy in the capital of Iran is Steven Foster, commercial secretary. He describes Iran's relations with Western Europe as "tolerable, not warm," and relations with Denmark as "good, but not without problems on account of our refugee quotas and human rights policy."

In less than 12 months, the two belligerent countries will have to present the Export Credit Board with upwards of 1 billion kroner in total. Iran owes 944 million kroner. Iraq 215 million kroner. The Export Credit Board does not

pursue a foreign policy but evaluates the countries of the world exclusively on the basis of their creditworthiness. And things do not look well for Iran and Iraq. The two countries are at the bottom of the list: number four out of four classes. Where the countries have extreme difficulty holding on to their credit standing.

"Normally, both of them should belong to the second class, right after the OECD countries," says Deputy Director Povl Gideon, the Export Credit Board. "They only have to dig a hole in the ground, and money flows to the surface with the oil." In general, there is no access to credit when trading with belligerent countries. And when there is access to credit, the reason is that they pay through a banker's credit. The term of credit is the shortest possible: 12 months. The premium total is 3 times higher when Iran and Iraq are at war than when they are not.

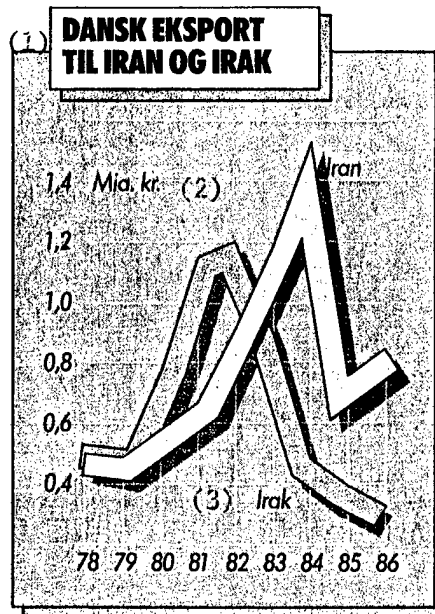
The war will only come to an end when the countries cannot afford to wage it any longer, Middle-East experts claim. In strictly economic terms, the war costs Iran 250,000 dollars a month. Nobody knows how many people.

The Hierocracy Keeps an Eye on the Western Press

It costs business people a lot of money not being familiar with the special conditions in the Middle East. The cultural differences are enormous, and foreigners get into difficulties if they ignore them: "Conflicts arise regarding relations between the sexes, regarding social customs, drinking and eating habits, payment customs and law," says Søren Mørk, lecturer at the Arab Information Center at the Odense University.

The conception of time also differs. Danes go by their watches, dividing their time into hours and minutes. They do not do that down there. The Muslims attach much greater importance to the human relations among business connections than we. "The most important thing for them is to establish good personal relations. They talk to us like human beings. We talk to them as representatives of a firm," says Søren Mørk.

On business down there, he says: "No Danish enterprises want to make any statements for fear that they might offend the hierocracy in Iran, which keeps an eye on what is written and said about them in the Western press."



The war between Iraq and Iran quickly resulted in import controls on the part of Iraq and negative consequences for Danish exports, which culminated in 1982. Only 2 years later did the same negative effects appear in the considerably stronger Iranian market.

Key:

- (1) Danish exports to Iran and Iraq
- (2) Billion kroner
- (3) Iraq

7262

CSO: 3613/65

MOBILIZATION MISSIONS, STRUCTURE OF TERRITORIAL ARMY DETAILED

Bonn TRUPPENPRAXIS in German Mar 87 pp 188-194

[Article by Lt Col Hagen Heer [GS]: "The Territorial Army's Contribution"]

[Text] Compared to the abbreviation SDI (Strategic Defense Initiative), currently on everyone's lips and in all the journalistic publications, another initiative undertaken in parallel with it, namely CDI (Conventional Defense Improvement), has receded somewhat into the background.

By attempting to raise the nuclear threshold, NATO is doing a considerable service in advance by a unilateral relinquishment of a number of nuclear delivery systems and the dismantling of the atomic warheads earmarked for them.

This relinquishment must be compensated for by a corresponding improvement of its conventional defense capabilities (CDI) if NATO wishes to credibly deter and, in the event of a failure of deterrence, successfully defend.

This article, in which the Territorial Army is depicted within the framework of military national defense and the role of its forces in the defense of rear areas as well as their potential to strength the forces of forward defense is presented, shows the contribution of the Territorial Army to conventional defense.

To deepen the reader's understanding, an initial or renewed look into Anw FE [Instruction for Command and Operations] 100/500 Kr-NrO "The Army in Military National Defense" of September 1981, which has been extensively revised in the last 2 years, is recommended.

The Territorial Army as Bearer of Military National Defense

With the assumption of its own defense obligations, the Federal Republic of Germany prepared itself to protect, jointly with the allied armed forces, the freedom of its citizens.

In so doing, it obligated itself to make extensive contributions to both elements of overall defense (Figure 1), namely:

--defense of NATO, and

--national defense.

While it subordinates the majority of its troops to NATO for alliance-wide defense, the Federal Republic fulfills its national task of national defense by:

- civil defense on the one hand, and
- military national defense on the other.

The former seeks to:

- maintain the ability of the Federal Government and state governments to govern;
- protect the necessities of life for the populace; as well as
- guarantee, by providing civilian services to the armed forces, the personnel and material basic requirements for their operations.

Military national defense, as the Bundeswehr's area of responsibility, comprises lastly the preparation and fulfillment of defense functions which, in crises and in war, remain within the realm of national responsibility and have as their purpose the support of national as well as allied armed forces and of the civil defense organization.

The most important bearers of military national defense are the Bundeswehr Administration and the Territorial Army which, directed by the Army Operations Staff, will expand from about 47,000 soldiers in peacetime to a wartime strength of approximately 550,000.

The functions of military national defense, and therefore of the Territorial Army, consist of:

- performing the function of an intermediary between the military and the civil sectors;
- supporting NATO armed forces and also national and allied armed forces remaining under national command, especially by/maintaining freedom of maneuver/;
- fulfilling special command and support functions;
- ensuring personnel operational readiness and logistic support to the Army, as well as medical care and supply of the German armed forces; and
- becoming involved in the support of civil defense.

Within the scope of their function as intermediaries, the territorial commanders and senior officers mediate between the armed forces and the civil defense organs by representing the concerns of each side to the other, and, in the sense of overall defense, reconciling interests and coordinating planning, activities and orders.

A prerequisite for carrying out the assignment of supporting the armed forces as well as civil defense and mediating between both sectors, is a command structure of the Territorial Army (Figure 2) which, in view of its regional structure and its geographic areas of responsibility, on the one hand is largely adapted to the federative state structure of the Federal Republic down to the level of the subregion administration, while on the other hand is also oriented towards cooperation with primarily NATO armed forces and towards their support.

This territorial command organization consists of:

- 3 territorial commands (TerrKdo), each of whose areas must support respectively an Army group and an allied tactical air force;

- 5 military district commands (WBK), each of whose areas correspond with the borders of 1 to 3 states and in which the troops of several NATO corps are located;

- 29 military region commands (VBK) whose military regions are congruent with the government administrative regions and which cooperate with the region governments and with military command authorities at the division-level; as well as

- 80 military subregion commands (VKK) in whose military subregions either whole government administrative subregions or independent cities are located, and whose military points of contact are command authorities at the brigade-level.

The cooperation of these territorial command authorities with their points of contact in the civilian sector and in military command agencies takes place at the command levels illustrated in Figure 3 through direct contacts with their commanders and chiefs of activities by territorial commanders, as well as on the working level. In wartime, an extensive liaison organization is available for this purpose.

The troops of the Territorial Army (see Figure 4 for a schematic representation) are attached to the various territorial command authorities according to local circumstances and areas of responsibility. Thus, there is no fixed, basic disposition of territorial command authorities. The type and size of the units assigned to them are, on the contrary, dependent upon the specific missions in the areas of medical service, personnel replacement and logistics which they are to fulfill within the framework of their command and support function, such as

- information acquisition and forwarding,

- maintaining military order and safety, or

- preparing obstacles,

and, in regard to the combat and combat support troops, /maintaining freedom of maneuver/.

Figure 1. The Elements of Overall Defense

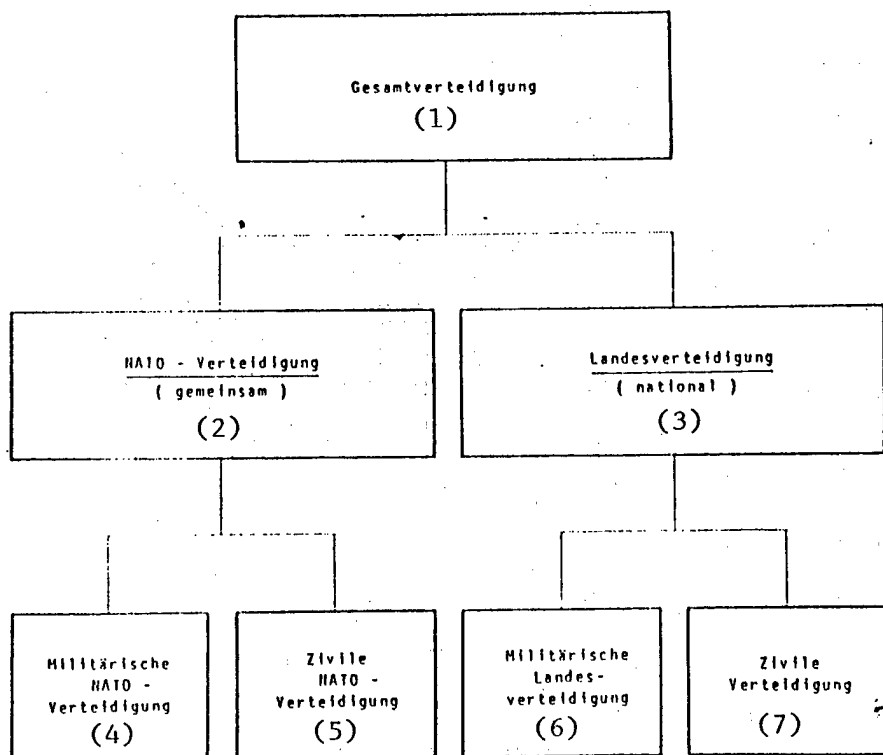


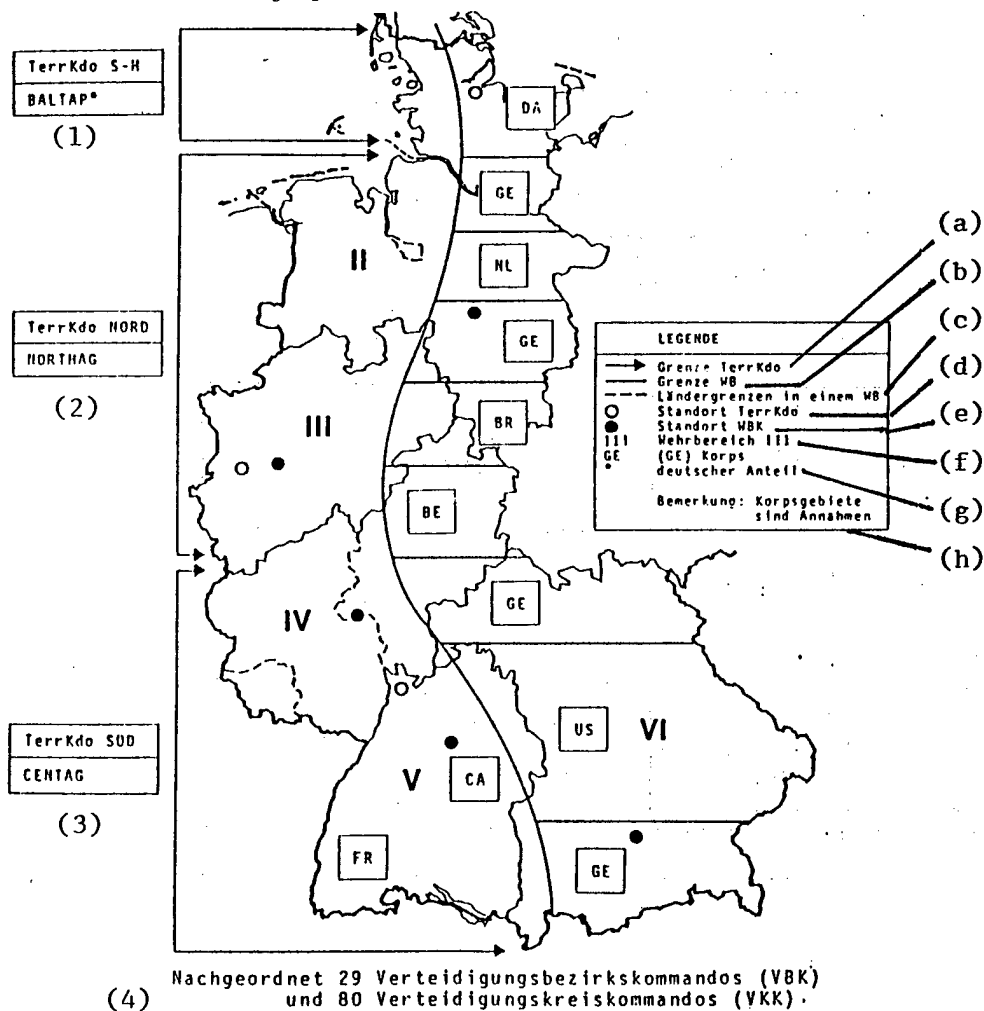
Bild 1: Die Elemente der Gesamtverteidigung

Key:

- | | |
|--------------------------------|------------------------------|
| 1. Overall defense | 4. Military NATO defense |
| 2. NATO defense (collective) | 5. Civil NATO defense |
| 3. National defense (national) | 6. Military national defense |
| | 7. Civil defense |

Figure 2. The Territorial Command Structure

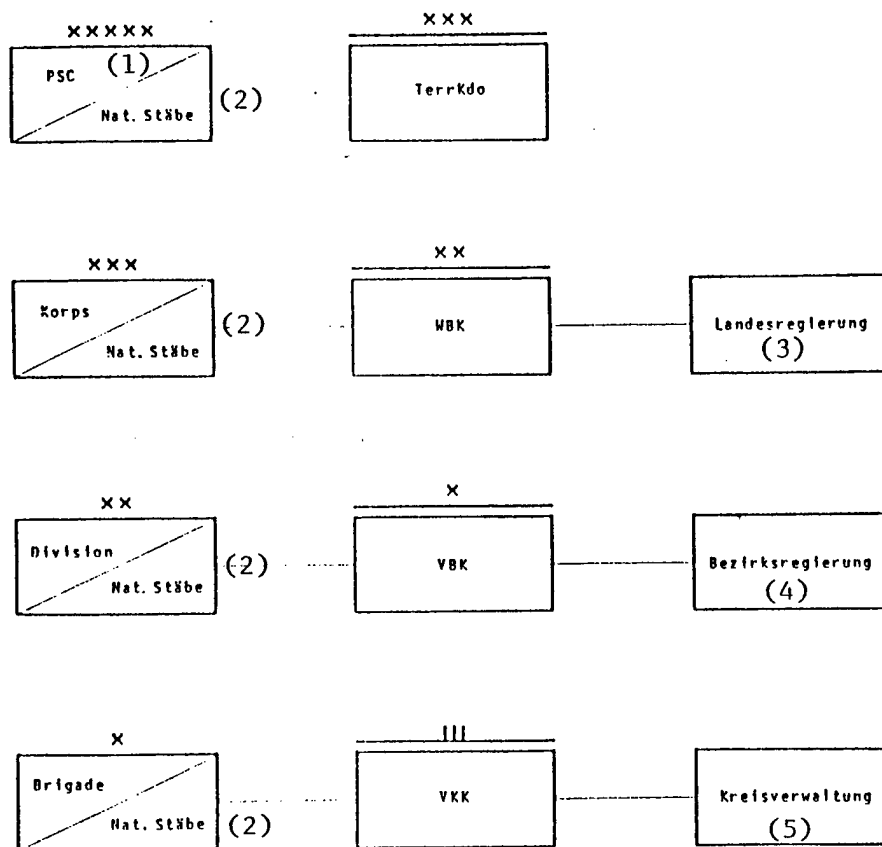
Bild 2: Die Territoriale Führungsorganisation



Key:

- | | |
|--|---|
| 1. TerrKdo Schleswig-Holstein | c. State borders within a military district |
| 2. TerrKdo North | d. TerrKdo garrison |
| 3. TerrKdo South | e. WBK garrison |
| 4. Subordinated: 29 VBK's and 80 VKK's | f. Military District III |
| a. TerrKdo boundary | g. Corps, German portion |
| b. Military district boundary | h. Note: Corps areas are assumptions |

Figure 3. Echelons of Cooperation



LEGENDE : PSC = Heeresgruppe / Alliierte Taktische Luftwaffe

Bild 3: Ebenen der Zusammenarbeit

Key:

- | | |
|---|-----------------------------|
| 1. Army Group/allied tactical air force | 3. State government |
| 2. National staffs | 4. Region government |
| | 5. Subregion administration |

The Maintenance of Freedom of Maneuver for NATO Forces

This comprises

- protection of rear areas,
- handling of military traffic,
- safeguarding water crossings,
- NBC defense,
- explosive ordnance disposal.

The measures undertaken for the maintenance of freedom of maneuver are intended to enable the commanders and senior officers of NATO armed forces to conduct their operations with the support of defended areas and communications and facilities as required for the accomplishment of their missions.

In this, the Territorial Army must above all

- safeguard the deployment of NATO forces,
- support them in the conduct of operations,
- keep the bases in the rear area functional, and
- by keeping open the lines of communication, ensure
- the maintenance of supply traffic as well as
- the flow of reserves.

In this regard the single most important task for the maintenance of freedom of maneuver, which is at the same time critical to the mission of the Territorial Army's combat troops, is the defense of rear areas.

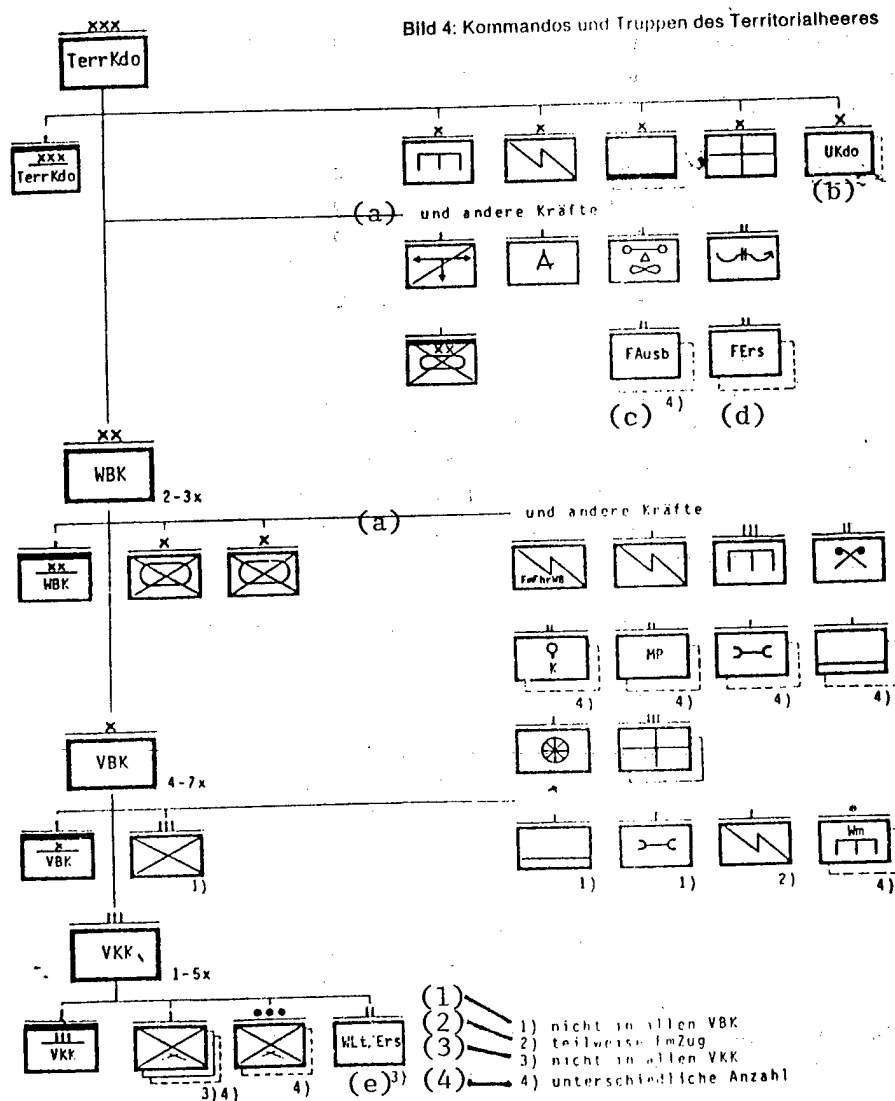
The Defense of Rear Areas

This extends to the entire battle zone.

By it, areas and facilities which are important for overall defense are to remain protected from seizure by enemy armed forces and are to be defended against the many varied actions by an enemy conducting combat by covert operations.

The defense of rear areas is accomplished through the defense of areas and facilities. Both are closely related in that the defense of facilities always results in a limited defense of the area in which the facilities are located.

Figure 4. Commands and Units of the Territorial Army



Key:

- | | |
|-----------------------------------|-----------------------------|
| 1. Not in all VBK's | a. And other units |
| 2. Partial communications platoon | b. Support command |
| 3. Not in all VKK's | c. Field basic training |
| 4. Variable number | d. Field replacement |
| | e. Mobilization/replacement |

Conversely, the defense of areas leads to an indirect defense of the facilities located in these areas. A functional organization of the area contributes to the defense of facilities and areas.

The protection of networks--communications networks, traffic networks and supply networks--is necessary where no detours or rerouting is possible, where damage repair is very involved and breakdowns cannot be compensated for.

If the defense of rear areas is part of the conduct of operations by NATO commanders or NATO senior officers, then they are responsible for it. In these cases, the territorial command authorities must represent the interests of civil defense and the other service branches to the NATO command authorities and coordinate the use of the Territorial Army's troops with them.

If the defense of rear areas is an aspect of the supporting mission "maintenance of freedom of maneuver," or if it is performed on the basis of the agreements concluded with the NATO commanders or NATO senior officers, then the territorial commanders and senior officers are responsible for it. They can then commit units of the Field Army, of the other military services and of the allied armed forces, providing their higher authorities agree. In this, the following tasks accrue to the various territorial command authorities:

The territorial command, in consultation with the Army group, gives orders regarding the point of main concentration of the rear area defense and regarding the defense of individual key facilities.

The military district command determines key terrains and the principles for the conduct of operations for the protection of areas. In addition to further key facilities, it issues orders regarding the majority of the other installations to be defended, and moreover issues orders regarding defensive measures for certain sites as well.

In the organization of the area, the military district command also takes into consideration the defensive measures which the Air Force, the Navy, and the allied armed forces have taken. Where the corps are responsible for the defense of rear areas, the military district command coordinates its preparations for area and point defense with the former. It informs the corps about the other military services' defensive measures and forwards their defensive requirements to the corps.

The military district commands, with proper agreement from the corps, can independently perform certain defensive tasks in the corps areas.

The military region command spells out all the measures for the defense of areas and the associated defense of individual facilities in its operational plan. In so doing, it takes into account the missions of the other military services and police forces which are employed in its area.

Only in exceptional cases will it order the defense of additional facilities.

The military subregion command generally takes over the defense of installations and, in exceptional cases, the defense of areas.

Forces for the Defense of Rear Areas

For the defense of rear areas the Territorial Army disposes over the following combat forces:

- 4 home defense brigades (semiregular);
- 6 home defense brigades (equipment-holding units);
- 15 home defense regiments (equipment-holding units);
- 150 home defense companies (equipment-holding units); and about
- 300 security platoons (equipment-holding units).

In addition, field replacement battalions, mobilization and replacement training battalions, field basic training regiments and field basic training battalions can also be given assignments, especially in the defense of facilities.

The/NBC defense battalions/, because of their equipment and training, can assume guard duties and security assignments in rear areas during combat where NBC warfare is a threat. Their ability to be quickly deployed for their principle mission must be maintained, however.

/Engineers/ can likewise carry out defense assignments--especially for the defense of facilities--as long as they have no engineering tasks to accomplish. That will be the exception, however, because of the damage to be expected.

/Military police/ doing organization and traffic duty can contribute to the defense of rear areas by taking over checkpoints.

Furthermore, numerous friendly military and civilian forces are located in the rear areas that are able to strengthen the defense of areas and facilities merely by their level of operational readiness.

They are, among others:

- reserves;
- logistical installations and troops;
- security forces of the German and allied air forces and navies;
- forces of the police and Federal Border Guards employed for the defense of civilian facilities.

Additionally, with the permission of their superior command authorities, they can be given reconnaissance and guard assignments; facilities to be protected can also be secured by an adroit inclusion of these forces in the organization of the area.

The Use of the Territorial Army's Combat Troops

Security platoons and home defense companies carry out the defense of facilities under the overall responsibility of the military subregion command.

The Security Platoons (Equipment-Holding Units)

They are fully mobile and equipped with light weapons, and are intended for the defense of certain stationary facilities of the Bundeswehr or of the Bundeswehr Administration. If they defend Bundeswehr facilities, they are subordinate to the facility commander; if they are employed for the defense of facilities of the Bundeswehr Administration, they are directly subordinate to the military subregion command. The number of their three to five security squads varies according to the facility to be defended.

The Home Defense Company (Equipment-Holding Unit)

It has four platoons with four squads each, is subordinate to the Military subregion command, and is also fully mobile and equipped with light weapons. It mainly takes over defense of facilities within the military subregion. In exceptional cases it is employed for area defense. Deployment by individual platoon is possible.

The Home Defense Regiment (Equipment-Holding Unit)

It has three motorized infantry battalions and is a non-armored unit with exclusively infantry fighting strength which, like the security platoons and home defense companies, is to be fully mobilized as an equipment-holding unit. In addition to a mortar company, it has some 106-mm recoilless guns and 20-mm field guns. It lacks long-range antitank weapons for use against a mechanized enemy, however.

The regiment is subordinate to the military region command. It

- guards, secures and defends areas;

- secures and defends facilities which are not continuously protected; and

- augments forces defending facilities for limited periods of time and replaces them.

If the regiment is committed as a unit--which, in view of the number and extent of the areas to be defended in the military region, will be the exception--it can

- destroy a weaker enemy by attacking;

- contain a stronger enemy for a short period; or

- interdict a stronger enemy which has been air landed or amphibiously landed.

The Home Defense Brigades 61-66

They are likewise equipment-holding units and thus are to be fully mobilized. In addition to a headquarters company, a service company and an engineer company as brigade units, they have two motorized infantry battalions, an armored battalion, and a field artillery battalion.

With a low degree of mechanization, its fighting strength is characterized by a large proportion of non-armored infantry; it possesses, however, an adequate antitank capability.

The home defense brigade (equipment-holding unit) is subordinate to the military district command. It

- guards, secures and defends areas or supports combat troops of the Territorial Army employed at critical points in area protection;

- destroys a weaker enemy which has been air landed or amphibiously landed by attacking; and

- intercepts, at vantage points, an enemy which has broken through defenses.

The Home Defense Brigades 52-55

Even peacetime they are operational to various degrees--between 50 and 60 percent. This home defense brigade is, to a great extent, a major armored formation which, with its headquarters company, NBC defense company, and engineer and supply and repair company as brigade units, greatly resembles the Field Army's brigades. With its two armored battalions, its two motorized infantry battalions (one with APC's), and its field artillery battalion, it can, after attaining full combat strength, even conduct operations against a stronger enemy and exploit its mobility. The home defense brigade is likewise subordinate the military district command. It

- destroys an enemy which has been air landed or amphibiously landed, has broken through defenses or is contained;

- contains an enemy which has breached or penetrated defenses;

- supports, in exceptional cases, other Territorial Army combat troops committed to area defense; and

- fights in special cases in the forward area, committed along with NATO ground forces.

Cooperation with NATO Ground Forces

With its home defense brigades, the Territorial Army has at its disposal major formations which, in composition and equipment, appear suited to engage in combined arms combat and which are commanded according to the same principles as the brigades of the Field Army. Consequently, they can be integrated into the conduct of operations of forward defense.

It must be taken into account here, though, that the Home Defense Brigades 61-66 are completely dependent upon mobilization and even following their mobilization, they require a lengthy preliminary period of training before jelling as fully combat-capable major formations. Prematurely including these brigades in NATO planning is therefore out of the question.

The semiregular Home Defense Brigades 52-55 are rather more suited to this. They too require an--albeit shorter--preliminary training period after completion of mobilization, however, and will not be prepared for defensive operations along with the brigades of the Field Army and the allies.

If one also takes into consideration that the territorial commanders can only rely upon those parts of these brigades which are manned already in peacetime for defensive operations that will have to be performed in a time of crisis and prior to the mobilization of the mass of their combat troops, then it becomes clear that they are out of the question for subordination to NATO command for the period in which they are especially taxed by these defensive operations and the mobilization of their cadre-strength units.

After mobilization of its combat troops has been accomplished, the Territorial Army will do everything in its power--through its effective defense of rear areas--to protect the rear of the NATO ground forces fighting in forward defense. It will then be prepared to commit its home defense brigades to take care of critical situations in rear corps areas, and, if the situation requires, to subordinate them for a limited period of time to a NATO commanding officer for this purpose.

Summary and Outlook

With the accomplishment of its mission of "maintaining freedom of maneuver," the Territorial Army disposes over security platoons and home defense companies, regiments and brigades.

These combat troops are thus not freely available reserves; they are, upon attainment of combat readiness, committed for point and area defense.

This applies as well to the home defense brigades, which, however, as major formations suited to combined arms combat, can transfer to NATO command in special cases where the associated abandonment of rear area defense can or must be accepted.

Even the Territorial Army will not be able to raise any new units for strengthening the conventional defense capability. It remains to be seen, however, whether:

--the German corps, analogous to those of the allies, should retain major formations for the defense of their rear areas which at the same time can be employed as operational reserves. These could be the home defense brigades brought into conformity with the Field Army's brigades in terms of equipment, composition and operational readiness level;

--the Territorial Army's combat troops should not largely forgo mechanization and, with mostly infantry, be manned in such a way in peacetime that they meet the Territorial Army's requirements for infantrymen and their training, as well as at least being able to guard the rear combat zone. A proportionate number of semiregular home defense regiments could be involved in this.

In view of the corps' considerable independence regarding the defense of their portion of the combat zone, the home defense brigades kept here in readiness could be given the role of

--either plugging gaps in the forward defense, or

--stopping, as heretofore, but under NATO command from the beginning, a mechanized enemy who has penetrated the defense,

--or, rushing like a fire brigade to the rear combat zone to destroy stronger air landed enemy forces, for example, which can only be blocked or contained by the home defense regiments.

Whatever solution is adopted, the strengthening of conventional defense capability cannot merely be a forward shifting of combat strength, it must also be founded upon an adequately protected basis.

13238/12859
CSO: 3620/189

DANGER FROM DEFICIENCY IN NEW DEFENSE BUDGET NOTED

Paris LE MONDE in French 5 Feb 87 p 2

[Article by Gen Andre Dubroca, author of "France Defenseless" and former chief of the Strategic Nuclear Force Command]: "Let Us be the Japanese of Defense"]

[Text] A new military budget bill will come before Parliament in the spring session. Most observers have failed to notice the absence of any meaningful choice that marks this bill, like its predecessors. Do we have to wait for 1988? A year is not too much time to rethink our defense planning!

Should the Kremlin, one of these days, have nothing more to fear from a Western nuclear response, it might well yield to the temptation to annex Western Europe. The Americans' commitment to defend their allies has already lost much of its credibility, whether on issues of strategic missiles or on the use of "theater" nuclear weapons, linked with the battlefield, including Euromissiles. As for France, President Mitterrand makes it clear on all possible occasions that he is resolved to respond with nuclear weapons aimed at the very heart of the Soviet Union, in line with the doctrine laid down by General de Gaulle, to wit: that "Once our vital interests are threatened: essentially, those "vital interests" are territorial integrity and the lives of the population. What will his successors do?

Some already believe that our deterrent will be ineffectual save in the event of nuclear aggression. For them, our adversaries could wreak massive destruction on our soil with conventional or chemical weapons, or even invade us without risk of strategic reprisal from us, because to do so would be suicide for us. That extreme and equally suicidal position makes our strategic forces useless and even dangerous: their use would be credible only after the "vitrification" of our country. This hypothesis seems totally unlikely because it assumes destroying what the aggressor sought, unless it simultaneously assured the effective neutralization of our strategic nuclear force, whose very existence in that case would merely insure our suicide...It would be better to save the money and rejoin NATO, thereby strengthening the conventional forces of the Alliance.

Credibility

At a time when our defense policy is about to become the topic of another debate, it is important to emphasize the point that credibility for our deterrent force makes it mandatory to rule out a few extremist fantasies, be they "all or nothing" or "Nuclear weapons deter only nuclear weapons." It is important to abstain from pinning ourselves into a rigid and over-explicit doctrine, including the notion of "vital interests." We must do it all, and say only what needs to be said to make sure the adversary is made aware of both the certainty of destruction intolerable to him, and at the same time of uncertainty as to the nature, the magnitude, and the timing of our reaction.

These are the conditions under which France can become an independent nuclear bastion on the European continent, presenting a considerable danger which the Soviet leaders would have to assess carefully before touching off a conflict which they could not snuff out whenever they desired. Europe, too, has everything to gain thereby.

Flawless Preparation

Nuclear power, however, is not everything. We must overlook no eventuality. War, nuclear or limited, is always possible.

Preparation is nevertheless lost sight of and, with it, the purpose of defense: the deterrent to which we owe 40 years of peace has lulled people's spirits.

Another fundamental given, also lost sight of: this war would come without any real warning. It would be brutal, generalized, and would last only a matter of days: our stores of ammunition would not suffice for us to hold out any longer than that! Gone are the days of the 1939-1945 war, gone with the war of attrition and position. Even given the assumption of a conflict limited to a conventional attack on the Eastern fronts, nobody can say that our country would not be affected, from the very start, by bombardment and sabotage—a threat all too often underestimated—directed at a large number of sensitive targets.

We must take immediate and urgent action to correct this unpreparedness, moral and material, and reduce, in particular, the excessive vulnerability of most of our defense system.

It is not reasonable to set aside a portion greater than 4 percent of our GDP. It is high time to sit down together and review our missions and our means, to stop trying to do everything by relying on outdated plans. We stick to our goal of 15 divisions with: 1,200 tanks; a 300,000-ton fleet with two aircraft carriers; 450 combat planes, even though rising levels of sophistication continually increase the unit costs. Such ambitions cannot be realized save by gravely weakening the operational and logistical environment.

Numbers lose meaning if you sacrifice consistency for them. We prefer a system that would be more centralized, poised for action, perfectly "oiled," formidable because it would not be very vulnerable and would stand ready to react instantaneously and powerfully under all circumstances, to face off ongoing threats posed by the East also, increasingly from the Mediterranean periphery.

We must also reassess some other tabus, like that of obligatory military service, "equalitarian and universal." The criterion of military effectiveness must prevail over social and psychological considerations. It would be unacceptable to entrust our armed forces with the role of super-TUC or youth camp if the superiority of an all-volunteer army, like those of the United States or Great Britain, were demonstrated to the French. That would stand in the way of another form of limited service, particularly in civil defense, the gendarmerie, or in territorial units.

There is "unanimity" on defense policy: everybody likes to say so. Our elected officials do indeed talk about and argue over numbers. But will they get to the bottom of things? We must be wary of certain consensus claims, of easy alibis to dodge any renewed challenge.

France occupies a unique position. We can be the Japanese of defense, if we do not blindly go along with the "hard-liners" and other conservatives of all stripes.

6182

CS0: 3519/75

REASON FOR DELAY ON RAFALE QUESTIONED

Paris LE MONDE in French 5 Feb 87 p 2

[Article by former deputy, now chairman of Defense 2000 group, Yves Lancien; first paragraph is LE MONDE introduction]

[Text] We saw it work in Chad: the Air Force is on the front line in battle. That cannot be said of its place in the budget...

The conflict in Chad has proved it one more time: the Air Force is our front line in battle.

Its mobility, its capacity for swift intervention, its flexibility in deployment enable it to swing quickly from one theater to another combine to make it today, as a constituent part of our conventional forces, a handful of trumps. Our success in operations over Ouadi-Doum required an array of air support ranging from the bombardier ground-support Jaguar to the F1 interceptor, via the KC-135 in-flight refuellers and the Breguet-Atlantic low-flying aircraft.

And of course it was the Transalls that flew the paratroops in the Tibesti to support the Goukouni forces, while at Galaxy we turned to the American Army for massive and swift resupply to units deployed or engaged on the ground.

What works for outside interventions would work equally well for the European theater in the event—admittedly unlikely but tragic—where the battle would be joined, thereby marking the failure of the nuclear deterrent.

Detrimental Delays

If, as a consequence, there were to be a confrontation, our aircraft would inevitably be the first committed to cover the rapid deployment force and the 1st Army (reconnaissance and ground support) and for the air defense of the territory against enemy aircraft, as well as for delivery of medium-range air-to-ground missiles.

Well, paradoxically, our Air Force, not to mention Naval Air Force, has, over the past several years, been the orphan child at budget-time, and it is still the orphan child today: governments may change, but not priorities!

The facts and the dates speak for themselves.

For the first time, in 1986, we saw our potential air combat strength drop below the floor figure of 450 aircraft, drop to 435, to be precise.

The order for low-altitude airborne detection planes--AWACS--was delayed routinely, year after year, on the pretext of running new studies and new tests on projects or aircraft which we already knew were precisely what we needed.

We are still without long-range transport. We saw that first during Kolwezi; we have just seen it again in Chad: each time, we were tributaries to the Americans.

The future combat aircraft program (an aircraft derived from the Rafale demonstration model), has yet to take off, and this means that we are looking at three concurrent risks: failure to replace in timely fashion the Navy's Crusader and the Mirage IIIs and the Air Force's Jaguars; falling dangerously behind on exports, if we do not take advantage of our initial head start to go into the 1995 rendezvous before our European or American competitors do; sounding the knell of our national military aircraft industry, because it is hard to imagine how Dassault, and along with it equipment suppliers and sub-contractors could stay afloat were we to consign a whole generation of aircraft to oblivion.

In this connection, the "stealth" argument, (1) put forward to delay the launch of the program looks pretty weak: it is bombers, missiles, reconnaissance aircraft that should benefit by such a feature to avoid, insofar as possible, enemy detection should we be engaged over enemy-controlled territory.

Aircraft for ground support and air superiority which we shall need in 1995, are far less amenable to such improvements, the cost of which would be anything but negligible or inconsequential in their impact on other performance levels (maneuverability) of our planes.

The ACF (future combat aircraft) looks as though it will be put off to beyond the year 2000. The consequence of that will be that in 1996 we shall have only 22 Transalls (second generation), while our tactical transport fleet should number 70 to 80 planes!

That is the situation that, in view of the incomparable services rendered by our Air Force, justifies this cry of alarm.

The planning program comes before Parliament this spring. There is still time. Because, in that plan, while the Army gets its rank, the Navy gets its aircraft carriers, the Air Force is indeed the poor relation.

FOOTNOTES

1. It is a question of radar transparency; the aircraft becomes more or less invisible to detection [Editor's Note].

6182

CSO: 3519/75

THOMSON-CSF: CONDITION, PHILOSOPHY, COOPERATION

Personalities, Activities

Paris LE NOUVEL OBSERVATEUR in French 3 Apr 87 pp 22-27

[Article by Jean Qoaquen: "Thomson: Master of Arms"]

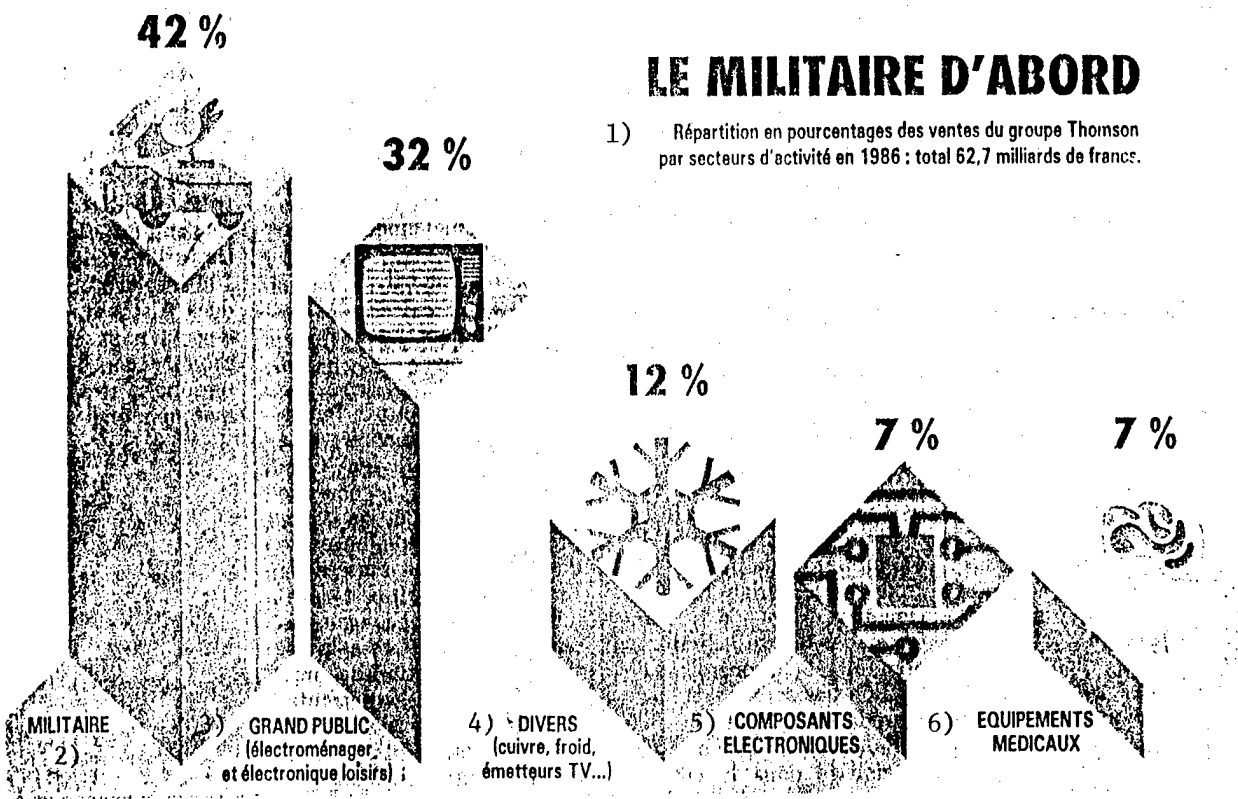
Text] The prospects of an enormous contract for delivery of a "turnkey" submarine fleet to Saudi Arabia; complicated negotiations to set up a French-Italian partnership in the vital field of electric components; the tumultuous departure of the boss of the engineering subsidiary SODETEG [Technical Studies and General Enterprises Company]: Commerce, strategy, men: Everything is on the move at Thomson, France's standard-bearer in a whole range of strategic specialties. This group of 104,000 persons is in fact one of the national masters of arms, with Rita telephone systems on battlefields, Mirage and the future Rafale radar systems, the Crotale and Shahine missiles sonar on warships. By far the French leader in the famous chips which constitute the heart of all modern products, the enterprise is also No 2 in Europe in the manufacture of television sets, video tape recorders, hi-fi equipment, under the labels Thomson, Brandt, Saba and Telefunken. Thomson is the French leaders in refrigerators and washing machines (Vedette and Mere Denis are both Thomson) and it defends France's colors in medical diagnostic equipment such as radiology and scanners.

Constant challenges are, along with rigorous procedures, the discipline imposed by Alain Gomez, 48, aimed at putting the nationalized enterprise in the profit orbit. The methods of the man whom Jean Cau called the "Bigeard of supermanagement" have given rise to the most diverse commentaries.

Rita

To respond to his detractors, Gomez brings out the figures. The 1986 results of the Thomson firm (62 billion francs in turnover) will mark substantial progress over 1985. It is a particularly brilliant score for the big subsidiary Thomson-CSF [General Radio Company], the pole of the group's interests in electronics and defense, components and medical diagnostic equipment: over 2 billion francs in net results (double the figure for the preceding fiscal year) for 36 billion in sales. The Stock Exchange, which had reckoned on the contribution of big financial profits to propel performance, had largely anticipated the growth: The price of a share of Thomson-CSF has leaped from 450 to 1,700 francs since the beginning of 1985.

Led by the Military



Key:

1. Distribution in percentage of Thomson sales by sector of activity in 1986. Total: 62.7 billion francs.
2. Military
3. General public (electric household appliances and electronic equipment for entertainment)
4. Miscellaneous (copper, refrigeration, television sets)
5. Electronic components
6. Medical equipment

Squale: This code name could soon become as famous as Rita. It covers the \$4 billion contract that Saudi Arabia might soon sign with France. That kingdom wants to strengthen the defense of its maritime shores with six or eight conventional submarines. Not only will it buy ships, but their port logistics as well. Andre Giraud, minister of defense, has entrusted to Thomson-CSF the direction of negotiations which the French--several divisions of Thomson, Alstom (CGE) and the General Arms Delegation--had undertaken in a scattered fashion. The key man for the project in the electronics group is Jean-Francois Briand, 53, former submarine officer, head of the systems and weapons branch and already a negotiator of the huge Al Thakeb air defense contract signed between Thomson and Riyad in 1984.

In the competition for that contract, the French started off with a handicap: The submarine they could offer, the Augusta, weighing 1,200 tons, is not as new as its Dutch or British rivals, but that weakness was compensated for by two assets. First of all, there is French supremacy in sonar, the shipborne instruments making it possible to detect other submarines. Thomson even equips British, German, Dutch, Swedish or Japanese warships. Next, France has already provided Saudi Arabia with a veritable surface navy, delivering four ultrasophisticated frigates.

A armor Plating

The signing of Squalo would be a personal victory for Gomez. After Al Thakeb in 1984 and Rita in 1985, it would protect him once and for all against attacks by those who maintain that his political past hurts his enterprise. Along with Jean-Pierre Chevenement, Gomez was one of the founders of CERES [Center for (Socialist) Studies, Research and Education], the left wing of the Socialist Party. While he has ceased all militant activity since he joined Saint-Gobain in 1969, this background haunts him. His many relations on the left, his marked fondness for dialectics and his provocative little phrases ("Wage earners are never responsible for the deficits") have something to do with it. The fact that his "friend Jean-Pierre," then minister of industry, fought to have him appointed to head Thomson on 17 February 1982 further accentuated his image as a political boss.

And yet, Jacques Chirac's government kept him at his post. On the new team, his most fervent defender would be the very liberal minister of industry, Alain Madelin. Is this paradoxical? One must not seek out the reasons for the support in Gomez' youthful fling with the far right. Rather, it is certain character traits or some of his statements that are the cause: constant references to competition and profit ("The justice of the peace is the market!"); military language (his written instructions are entitled "service orders"); his fondness for order ("I like organizations that operate and, as Goethe said, I prefer injustice to disorder"); and above all, his total commitment to what he does ("I entered industry like one takes up religion or joins the army").

Demonstrating that he is a great boss, that his time at Harvard and on-the-job training in packing at Saint-Gobain have marked him more than CERES or the finance inspectorate did: This is Gomez' great aspiration. From that standpoint, Squalo would come at just the right time to facilitate the last task he has taken up: imposing his discipline on the firm's defense electronics. Barely reappointed to his post in July, the boss at Thomson has in fact attacked a fortress to which he had never before laid siege: the equipment and systems branch (BES), 40,000 persons, 23 billion francs in turnover, two-third of the total for export.

It is a world unto itself, this BES, No 3 in the world in professional electronics behind the American Hughes and Raytheon. Military-oriented above all, only 20 percent of its activity is in the civilian field. On its record of achievements: positions of leadership in many domains: air defense systems coupling radar and missiles; air control and instrument landing systems for

civilian or military aircraft; nuclear power plant, flight and tank simulators; land and shipborne radar systems; military electronics (jammers, countermeasures); missile guidance systems; UHF tubes for satellites; military telecommunications (Rita); antisubmarine detection and destruction; coding equipment; aeronautics instruments (example: electrical controls of the Airbus A320), and so on.

All of these products or systems, whose series total several hundred units in the best of cases, have one thing in common: On the average, studies represent over 20 percent of the turnover. As a result, a manufacturer belonging to a country of average size such as France can only amortize its enormous research expenditures by finding markets abroad. Thanks to the success of the Mirage (avionics represents one-third the price of a fighter plane) and massive purchases of different weapons by oil-producer nations, the BES has just had a "golden age": an average of 11 percent growth in constant francs between 1974 and 1984.

However, that time is long gone, Gomez said in September, announcing the splitup of the citadel into three branches whose directors will answer directly to him: the systems and arms branch, entrusted to Squal's Briand; the detection, control and communications branch, supervised by Bernard Cambier, 54; and the aeronautics equipment branch, piloted by Jacques Savoyen, 60. Although these three executives have been at Thomson for over a quarter of a century, the reorganization has landed like a bomb inside the firm. It does away with the shield formed by the two bosses of the former BES between the operational divisions and the presidency. No one doubts it any longer: The commander in chief of military electronics is Gomez.

Ricochet

Was it a mere desire to gain power that had escaped him? Without question, Gomez had long dreamed of imposing his authority in this sector of weapons, which he had always considered to be the pillar of the group. Since the BES was earning money, there was no urgency about it, especially since the head of Thomson, who is not lacking in political savvy, also knew that to tackle this branch before the 16 March elections could have stirred up reactions in defense circles and, by virtue of a ricochet effect, compromised his reappointment as head of the firm.

Whatever the case, from now on, the three heads of the military divisions meet with their president every Wednesday to learn his philosophy of business: organization in terms of trades, techniques and markets; concentration on strong points; geographic redeployment of commercial efforts; compression of general costs and a race for productivity; an active human resources policy, and so on. It is a cultural revolution in this universe which the origins of executives and bad habits had somewhat turned into a branch of the Ministry of Defense.

"The purpose of these changes is to adapt to recent modifications in battle conditions," Gomez explains. Such modifications are above all linked to the slump in arms purchases by oil-producing countries. However, the prosperity

of the former BES was based on the Middle East. During the 1974-1984 period, half of the orders came from that region.

The vulnerability linked to this concentration of markets is joined by three disturbing phenomena. First of all, there is the uncertainty about the future of Dassault, the major customer for airborne radar and countermeasures. The green light given by Chirac to the future Rafale caused Savoyen to breathe a sigh of relief. Second, one has the renewed aggressiveness of countries such as Great Britain. The French have still not gotten over seeing the Mirage 2000's challenged by the Tornado in Saudi Arabia. Third: the interest shown in defense electronics by major firms. In the United States, General Motors has annexed Hughes and General Electric has bought up RCA. In Germany, the AEG has moved into the orbit of Daimler-Benz (Mercedes).

"The bad times will last at least 5 years," Gomez prophesizes, a period the company must get through without being left behind. Technology continues to race at a frantic speed. In 25 years, the density of transistors in radar systems has increased 400 times over. Equally spectacular progress has been made by all lines of products: UHF tubes; semiconductors; electro-acoustics; the handling of images and visualization, optronics (see boxed material).

Miracles

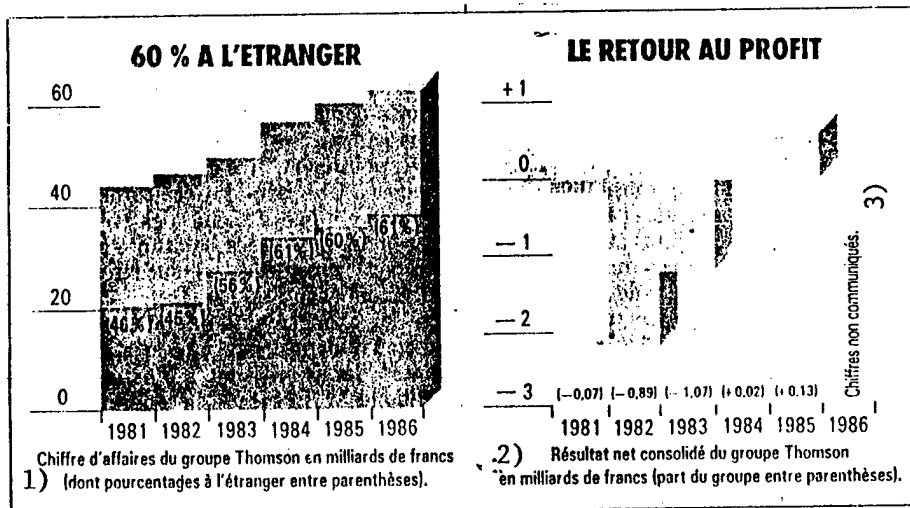
Following the eternal logic of the sword and shield, materials earmarked for attack or defense evolve at the same speed, often thanks to the miracles of electronics. Thus it is that just as waves emitted by radar are detectable, countermeasure and then counter-countermeasure equipment has been invented. The next jewel in this vicious cycle: the very short-range automatic defense systems, capable in seconds of detecting a helicopter or missile flying at low altitudes and reacting. Another innovation being developed: integrated devices enabling different levels of the military hierarchy to know and protect their means as well as identify and weaken those of the adversary, thanks to pickups, communications systems, computers and data banks, the first steps toward "Star Wars."

There can be no question of relying on the generosity of the French Government to remain in the race. It now finances only one-fourth the expense of Thomson's studies, compared with half 10 years ago. Self-financing and the contributions of foreign customers have taken over. Today, other solutions must be found. In addition to more rigorous selection of programs and tightening the screws, Gomez is attacking in two directions: commercial redeployment toward industrial countries; and an increase in the number of cooperation programs.

The prime target of sales redeployment: the United States. Rita has shown that although they control two-thirds of the world military electronics market, the American firms do not always have the best performing equipment. In order to sell its little marvel, Thomson nevertheless had to rely on GTE (General Telephone and Electronics), one of the Pentagon's big local suppliers. Backed by this experience, the firm has just formed partnerships to respond to several calls for bids linked to the United States' air defense: General Dynamics in one case and TRW in another.

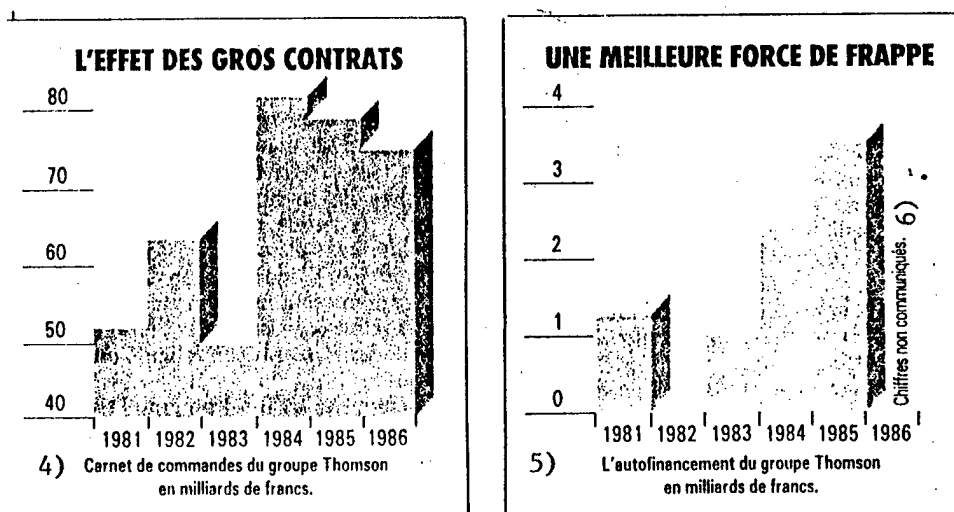
60 Percent Abroad

Return to Profit



Effects of Big Contracts

Better Strike Force

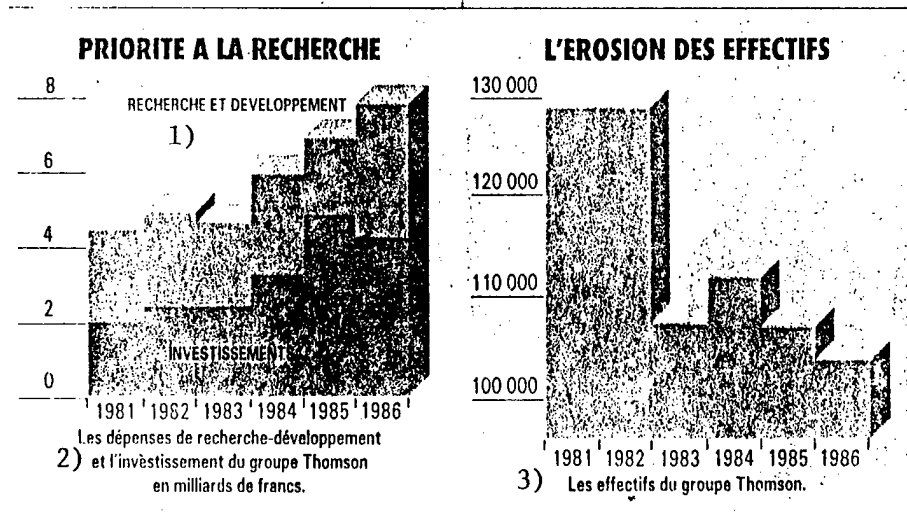


Key:

1. Turnover of Thomson group in billions of francs (percentages abroad in parentheses)
2. Net consolidated result of Thomson group in billions of francs (group share in parentheses)
3. Figures not given
4. Orders of Thomson group in billions of francs
5. Self-financing of Thomson group in billions of francs
6. Figures not given

Priority to Research

Erosion of Personnel



Key:

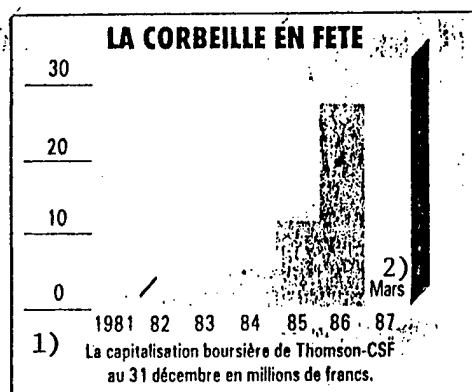
1. Research and development
2. Research-development expenses and investment of Thomson group in billions of francs
3. Thomson group personnel

Thomson is also naturally trying to sell to the other Atlantic Alliance countries. On its schedule: modernization of the Hawk air defense batteries installed in seven different countries and the sale of 22 tank simulators to Germany. However, it is mainly within the framework of cooperation that Thomson is seeking to work with the big European industrial countries. Artillery weapons, French-German helicopters, superpowerful chips: The French firm is in constant contact with some 40 programs with British or German manufacturers alone.

The spectacular metamorphosis of defense electronics winds up the remodeling of Thomson by its president. Everywhere, Gomez has gradually pushed aside the former officials, defined strict financial procedures, updated organizational charts, modified boundaries and set for new methods. His obsession: profitability, the only guarantee of independence. Thomson has not experienced such a shock since the 1968 takeover of a failing CSF by Thomson-Houston-Hotchkiss-Brandst of Paul Richard, the self-taught, penny-pinching Auvergne native who built the firm by dint of mergers.

Following Richard's sudden disappearance in 1976, discipline went slack. Torn between the excessively controlled and fluctuating industrial policy of the government, elated with the easy money from oil, the firm became splintered and turned into a federation of baronages. On a tour of the premises, Gomez went from one unpleasant surprise to another: the General Radiology Company adrift for lack of new products; haemorrhagic electronic components; disastrous

Stockbrokers' Heyday



Key:

1. Stock Exchange capitalization of Thomson-CSF on 31 December, in millions of francs
2. March

SODETAG contracts abroad; enormous late penalties for the telephone. As a result, in 1982, the Thomson jewel posted a deficit of 2.2 billion francs!

Anxious to surround himself with devoted lieutenants, the new boss began to hire abroad. Christian Aubin, a finance auditor formerly with Schneider and Dassault, past master at accounting and passionately keen about funds and exchange, took over the finances and has just left them. Pierre Cabanes, another high official who had served as employment representative in the Ministry of Labor, took over social matters. For the "surgical" operations, Gomez brought in Noel Goutard (now chairman of the board of Valeo), formerly with the Company of Assembled Recorders and Loaders, reputed for his ability to take drastic measures. In his "comments from the president" concerning the books for 1982, he hinted at the new team's approach: "The enormous losses are the punishment--all the more harsh because it has been delayed--of the three structural weaknesses: a phenomenal mass of general costs; a complex legal and financial structure and the multiplicity and scattering of activities." Since that time, it has worked to correct the weaknesses.

One sign of the emphasis on general expenses: the reduction in personnel at the Paris corporate headquarters, from 1,500 in 1982 to 250 today and 100 in the future! The parent company, Thomson, Inc., and Thomson-CSF are limited to a role of development and coordination. Decentralization is the golden rule and the means for management are redistributed to the operational divisions.

As for the legal-financial structures, they have been thoroughly overhauled also. A whole series of activities--from the General Radiology Company to internal data processing--have been set up as companies provided with an operating account. A holding company was formed to top all the activities involved. An all-purpose branch was set up to manage action in the different sectors: copper wire, refrigeration equipment for stores, transmitters and camera equipment for television, scientific instruments, engineering (SODETEG),

mortars and guided munitions (Thomson-Brandt-Munitions). At the time of the September reorganization, these activities were placed under Briand's systems and munitions branch, a sign of the priority given to the military. It is also a sign that the structures are made to be constantly brought into question: "We are nomads," the president is fond of saying. Whatever the case, it is the destiny of the all-purpose branch to get smaller. For example, the Bonnet activities in community kitchens just turned over to Reydel. Another innovation going back to September: the "services" branch, which involves action on monetary and exchange markets, juicy activities for the time being, but not without risk.

The main question on Gomez' policies had to do with his choice of activities: What would he give up? What would he yield? "Except for defense electronics, the game was totally open," he immediately tells one, noting that potential profitability would guide his decisions. Inasmuch as he has constantly repeated the statement, rumors are always circulating about the sale of certain sectors: first the general public division, then radiology, followed by engineering.

One thing is certain: Gomez has brought the firm great progress. Between 1982 and 1984, Thomson surrendered activities representing nearly 12 billion francs in annual turnover and employing 31,000 persons. Over the same period, its purchases brought in annual sales of 6 billion francs and 11,000 persons.

And what was the most spectacular action? The exit of the telephone, announced in September 1983. Negotiated by Gomez and Georges Pebereau, then the man in power at the CGE, the decision put an end to the brief but costly incursion into the sector by Thomson. Not only did Gomez withdraw from the big exchanges and cables, but also from microwave and space technology. In exchange, he received the military electronics from Sinatra.

This new Yalta of the two hereditary enemies, CGE and Thomson, fit into the government's decision to concentrate its energies on a few champions. At Bull, computers; at the CGE, the telephone; at Saint-Gobain, public works; and at ELF [Gasoline and Lubricants Company of France], petrochemistry.

In this redistribution of roles, Thomson inherited electronic components. Sure of back payments from public monies, the firm announced massive investments aimed at becoming a power that counts in the very closed world of semi-conductors. It will consequently take over Mostek, one of the American falling stars in that area of specialization. Losses in component parts last year show that the wager is far from being won. Going it alone, Thomson now expects to seal an alliance with the Italian national SGS in semi-conductors for civilian use. It was a radical change in tactics, one to be watched.

Another thing to keep an eye on was the General Radiology Company. Without Chevenement's veto, Gomez would have sold it to the American Technicare. Unable to do so, he entrusted the task of rehabilitating the CGR to Jean Segui. The mission was a success: The CGR has been in the black since 1985. However, its president still wonders about this small multinational company's ability to vie with the three giants in the field: General Electric, Philips and Siemens.

Another major sector that gave Gomez great pause: articles for the general public. "The second pole has undergone a formidable transformation since 1984. Last year, it recovered its operating equilibrium," words of praise breaking with previous remarks.

Thomson's general public branch (BGP) has compelled recognition as the federator of a whole host of smaller enterprises, first in France, then in Germany. Two-thirds of its sales are abroad, where 14,000 of its 32,000 employees work. "These activities earned a great deal of money in the 1970's: 3.5 billion francs. Unfortunately, these results were reinvested in the firm's other sectors," says Pierre Garcin, head of the BGP. Furthermore, the latter was wrong to be too understanding of the government's friendly pressure to plunge into hi-fi and personal computers. As a result, performance would decline until it plunged to the serious losses of 1985.

By the previous year, measures were taken to rectify the situation: investments in modernization, resulting in a reduction in personnel of over 10 percent; doubling of the research effort; reductions in general expenses; massive training effort (3.4 percent of the wage mass in 1986). At the same time, a new organization was set up. Greatly decentralized, it is inspired by that of the big multinationals. Helped by good circumstances, the moves paid off.

The return to the black is accompanied by a new definition of strategic orientations. "In the electric household appliance field, except for microwave ovens, products are substantially different depending on the country. The important thing is therefore to have brands with significant market shares and to manufacture with a maximum of automation," Garcin observes.

Management of miscellaneous products is another matter. Here, the Japanese are the masters. When they began to make color television sets in 1965, France did not yet have color. The result: 5 years later, their plants were pouring out 6.5 million sets, compared with 200,000 for France. Consequently, Japanese firms were able to invest considerable sums earned in television products of the future. "Within such a framework, our strategy was to limit our considerable handicap by buying out competitors. With 2.5 million sets made in 1986, a figure comparable to that of Sony, we are not to be laughed at," Garcin says consolingly.

But what about video tape recorders? "In 1987, within the framework of the European company in which we are partners with the Japanese JVC and the British Thorn, we will make a million VCR's. The mechanics come from our plant in Tonnerre. Assembly is done at the Berlin plant of our Telefunken subsidiary."

Garcin takes one position that might shock many experts on industrial policy: Spending much less than big competitors to design new products is not fatal; technologies can be bought and traded. "It is production costs that make the difference. You must not hesitate to manufacture elsewhere, which is what the Japanese do," says the head of the BGP. Garcin began the practice by manufacturing hi-fi and audio equipment in Singapore (2,000 persons). He continues with a new plant in Malaysia (1,000 employees). In the crucial game

of competitive costs, the French plants lose. Those at Moulins (Allier) and Saint-Pierre-Montlimart (Maine-et-Loire), where hi-fi equipment and personal computers were made, will be shut down.

With the military in the driver's seat, components being the eternal bridesmaid, medical equipment scratching its head over the future and a general public division with new-found favor, living under Gomez iron hand is not a soothing prospect. Could doubt be one of the ingredients of the management methods of a boss who has put too many persons out of the game not to be challenged? A fair evaluation will not be possible for several years. Who can say whether giving up component parts for civilian use will weaken the military in the long run? Who can say that by that time, the general public branch will not bring in more profits than weapons?

In the meantime, Gomez' performance and methods rouse questions. Is decentralization viable in the long run in a sector in which products and systems are closely interrelated, like military electronics? Another question: Can the president of a firm of the size of Thomson assume for long the duties of general management of a major branch?

Gomez has perhaps made mistakes, but he can correct them. He now knows the ins and outs of the most complex of all French businesses. He has already obtained results. Time works in his favor.

Corbeville Central Laboratory

Paris LE NOUVEL ECONOMISTE in French 3 Apr 87 p 26

[Text] Although it receives but 4 percent of all Thomson research grants, the Corbeville Central Laboratory (LCR) near Saclay files some 100 patents a year, a fifth of the firm's total. With its 370 research workers forming some 20 teams, it is the technological leader of the No 1 French firm in research-development (1986 budget: 7.4 billion francs). Its operation illustrates the puzzle of industrial research management.

Corbeville is one of the laboratories that has brought the most progress to electronics in Europe. It is the home of cardinal innovations in radar tubes and satellite transmission tubes, gallium arsenide components, videodisks, semi-conductor lasers, and so on. Today, a large share of the efforts is devoted to semi-conductors, which will be the foundation of third-generation electronic components. The first was the generation of silicon; the second, gallium arsenide. The purpose? On the one hand, to circulate data faster and faster between the transistor circuit breakers; on the other hand, to find the means to transform electric impulses into light (optronics).

Modern day alchemists, research workers at Corbeville stack up layers of infinitesimal thicknesses of different materials to create such miracle products. For example, in a world first, they have just made an arsenide alloy of gallium and indium phosphorous that should make it possible to divide the dimension of integrated antennas in missiles by 10! Among the other centers of interest at the LCR is medical diagnostics. A team is trying to find

an alternative to photo plates used in X-ray. Such plates make up 60 percent of the cost of radiology departments; 2 to 3 percent of those of hospitals. They have the disadvantage of not lending themselves to use in data processing. One of the ideas explored consists of replacing them with laser devices that would permit direct digitization and therefore, a less costly storage of images.

All of these research topics are fascinating. The problem is that they must be integrated into a management logic. Deputy general director of the Thomson firm responsible for research and technology, Eric Spitz, 55, former research worker who has headed Corbeville, must constantly decide: What is the role of the LCR? When must its work be transferred to operational divisions? "The mission of Corbeville is not to engage in pure research, but to look to the domains of the future, blaze the way, serve as an interface between public research and industry and reflect upon the consequences of the different technologies for the firm's trades."

Research topics are chosen within the framework of high-level arbitration with the operational branches, in which most research-development takes place. The rule is that results, often along with the teams, are transferred as rapidly as possible to the branches. In 1984, for example, the 80 persons working on gallium arsenide left the LCR to join the component branch. "This type of mobility is fertile," comments Spitz, who gives the example of the contribution made to the recovery of the medical field by engineers from the LCR.

At Corbeville, the turnover of teams, like personnel in general, varies depending on the season. The Gomez discipline is felt everywhere. Departures are accelerated. Above all, the organization has been totally reshuffled. This has brought about the departure of nearly all personnel over the past 18 months.

It is difficult to evaluate the effectiveness of top-level research, such as that done at Corbeville. No one has yet found any unquestionable criteria for judging the work of researchers," Spitz says, who nevertheless expresses a comforting conviction: "The Corbeville laboratory would earn a great deal of money if it worked for other countries."

11,464

CSO: 3519/106

MILITARY

ATLANTIC ORIENTATION STRESSED VIS-A-VIS SPAIN, NATO

Lisbon DIARIO DE NOTICIAS 14 Apr 87 p 8

[Article by Virgilio de Carvalho: "The 'Zero Option' and American Bases"; first paragraph is DIARIO DE NOTICIAS' introduction]

[Excerpts] Unlike Spain, which could lose its island territories without the least risk to its survival, Portugal must orient itself and act geopolitically and culturally like a country consisting of islands and a continental part, not like Portugal and the islands.

The Madrid government obtained approval from the Spanish electorate for Spain to remain in NATO with the promise, which has not been denied by the Americans, that the US military presence in Spain would be significantly reduced. This presence is considered an annoyance in the light of "European Spain's" desire to affirm its individuality and influence in the Arab world, Africa and Latin America. This is all understandable, respectable and legitimate, but it does not justify insinuations made by certain sectors of the Spanish press that Portugal is the easiest US ally of all the southern European countries because it does not make similar demands on US bases and installations.

To begin with, Portugal is not a part of southern Europe or the Mediterranean, although as far as its climate, certain crops, ethnic and cultural roots and retarded development are concerned, it does have some relationship with the area, even though it is not geographically a part of it. Portugal, in order to have an individuality of its own, must become more of a maritime nation and less of an Iberian nation and come to see the Continent as a coastal area oriented toward the Atlantic. This is why, unlike Spain, which could lose its island territories without the least risk to its survival, Portugal must orient itself and act geopolitically and culturally like a country consisting of islands and a continental part, not like Portugal and the islands. It also follows that in its overall strategy (as was the case with its ally of old, which has also ceased to be a leading maritime power), there has been a special relationship for centuries with the power that controls the Atlantic to further vital Portuguese interests in preserving its individuality and freedom of action in the Peninsula. And that Portugal should have policies closer to those of that country than to those of Spain, which has historically been Portugal's antagonist. The

Finns also do not appreciate the use of the term "Finlandization" to describe their independence from the USSR, which was bought with blood in a lengthy war that delivered them from the subjugation that has been the lot of the other Baltic countries.

Orientation to the Atlantic has thus been Portugal's way of affirming its independence for centuries and a way that is suited to its geography. The strategic integration with NATO of Portugal's territories in areas of strategic interest to North America and Western Europe is in Portugal's best interest, as are its solidarity and that of the Atlantic countries of Europe (which do not want to dissociate from North America), so that their own interterritorial integrity will not be threatened.

Portugal's historic, legitimate and healthy orientation toward the Atlantic may be described and recognized in essence by: common geography and values between the islands and the Continent; rejection of re-Iberianization through NATO and the European Community, striving to prioritize Iberian relationships among multilateral relationships; the consistent demand to transfer the Azores from the American Westlant NATO Command to Portugal's Interlant Command; and the strengthening of ties with Brazil and cooperation in areas of common interest with Portuguese-speaking countries to reduce the security risks arising from the special relationship with the maritime power and membership in the European Community and to help safeguard Portuguese from Spanish and French words.

Portugal's orientation toward the Atlantic is thus in the Portuguese and universalist tradition, as it always has been.

8844

CSO: 3542/82

POWER SHORTAGE IN 1996 PREDICTED

Copenhagen BERLINGSKE TIDENDE in Danish 19 Mar 87 pp 1,9

[Article by Hennin Gøtz]

[Text] The power production is increasingly based on old "retired" power plants, and the consumers may already in a few years be looking ahead to winter days in candlelight unless new construction of power plants is started.

Unless the power plants are permitted to build new power plant units, the consumers may already in the early nineties be looking ahead to being disconnected from the power network on really cold days if serious operational breakdowns occur.

Already today, the production of power is increasingly based on unprofitable "retired" plants which are upwards of 25 years old. But even with full production and with aid from the decentralized heat power plants of the future, a calculation made by the Association of Danish Power Plants shows that there will be a shortage of power and heat on the coldest days of the year as of 1996, even without any operational breakdowns.

Georg Styrbro, deputy chairman of the Association of Danish Power Plants, who is the managing director of ELSAM, the Organization for Coordination of Electric Power in Jutland and Funen, warns against the increasing use of "retired" plants.

"The old plants use nearly 30 percent more coal, and they are more dangerous to work in for the staff," says Georg Styrbro. "In addition, it will become difficult complying with the current environmental standards if we are not enabled to discard the old plants."

He does not believe that savings and decentralized plants using straw, wood chips, or natural gas will alone solve the problems.

"Retired" Plants to Produce Power

Already in the early nineties should Danish power consumers acquire candles and heavy socks for protection on especially cold winter days. The Folketing

has put a halt to the expansion of Danish power plants, but a report from the Association of Danish Power Plants shows that even with the help of more or less obsolete plants that are more than 25 years old, power shortage may arise already in a few years.

Unless "the Green majority" in the Folketing agrees to the construction of new, large units for the existing power plants will the domestic power production to an increasing extent be based on "retired" plants.

It appears from a report on the consumption and power production capacity until 1998, which according to the Association of Danish Power Plants is a conservative estimate, that without the addition of new units, not even with the full help of the over 25-year-old heat power plants, will the power plants be able in the future to produce enough power for the consumption on the coldest days of the year. And the 20 percent surplus capacity which so far has been sufficient, has already now diminished to only 16-17 percent.

"Already in the early nineties will a real shortage set in," says Georg Styrbro, deputy chairman of the Association of Danish Power Plants and managing director of ELSAM.

He points out that increased use of the fairly small, less efficient, "retired" heat power plants will be the consequence if the majority of the Folketing adheres to its rejection of the construction of new, large power plant units.

"To an increasing extent, it is old, partly dangerous and more polluting plants that ensure us against capacity shortage in periods of peak loads. Even with the maximum number of decentralized straw, wood chip, or natural-gas-fired heat power plants and windmills--as planned in the government's agreement with the Social Democratic Party of the summer of 1986-- as of the mid-nineties, we shall, at the most, be able to ensure a power production equivalent to 450 megawatts or a single large power plant unit in one of the existing plants," Georg Styrbro points out.

Serious Situation as of 1996

And the report of the Association of Danish Power Plants shows that as of 1996 not even the existing plants, supplemented by the "retired" and the decentralized heat power plants and windmills of the coming years, will be able to cover the expected maximum load.

Even this year, the expected maximum load cannot be expected to be covered by power plant units younger than 25 years. And should major breakdowns occur, the risk of power failure is imminent, as, for example, was the case in mid-January on Sjælland.

Until 1996, it will theoretically be possible to produce the required power. But in actual fact there will be no room for interruptions of service and breakdowns. And the older the plants become, the greater the risk of technical problems," Georg Styrbro states.

He adds that as of 1996--even without a single accident--it will be impossible on the coldest days to cover all of the consumption needs. By then, certain groups, whether large or small, will simply have to be disconnected unless new capacity has been provided by then or very extensive savings have been carried through.

The estimates of the power plants predict an average annual growth in the consumption of 2.5 percent until 1998. During the last few years, the growth rate has been considerably larger, but according to "the Green majority," not least the consumption within the industrial and private sectors will have to be reduced considerably in the course of the next few years.

Do Not Believe in a Zero Growth Rate

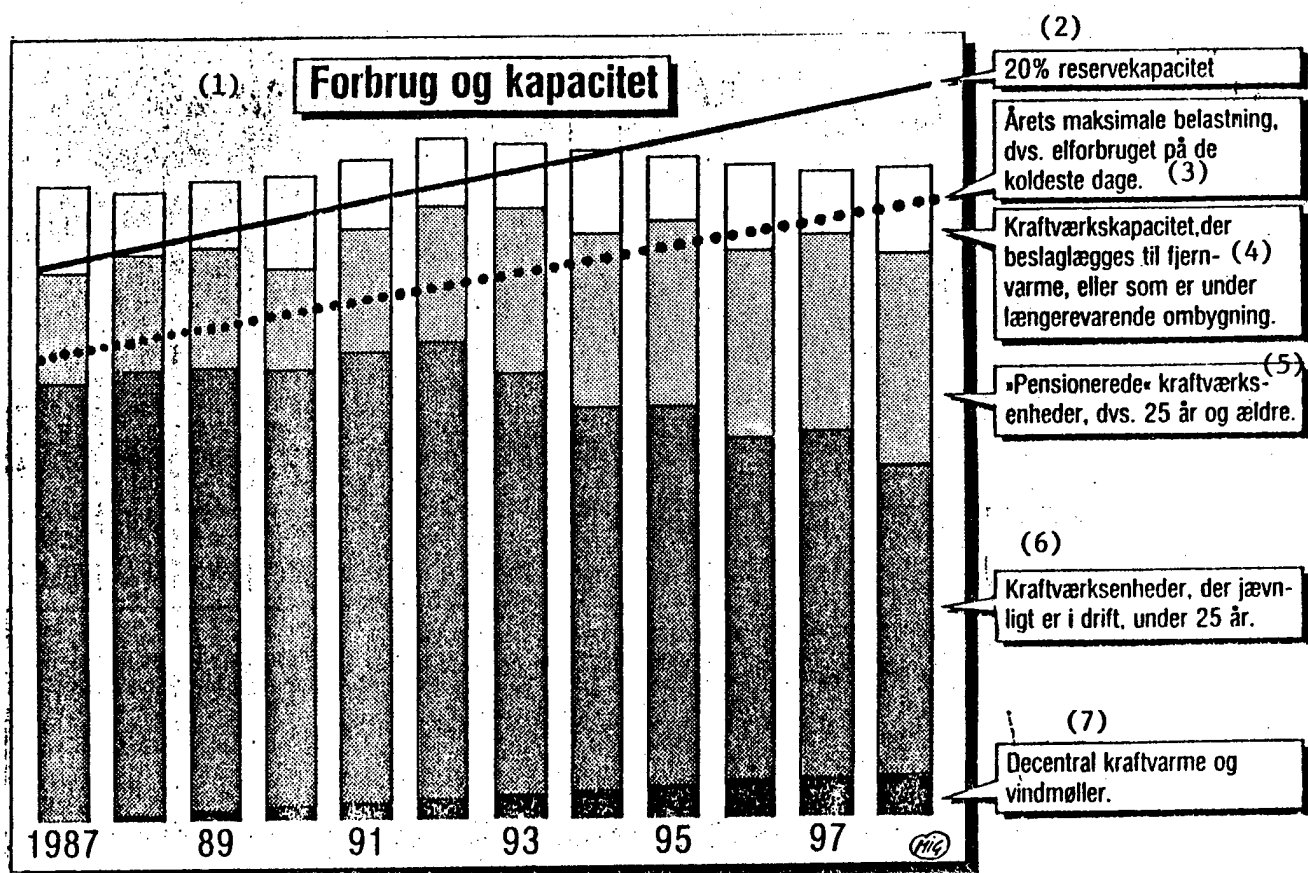
However, within the power plant circles, nobody expects a zero growth rate in the power consumption. "Who will not be getting a dishwasher and a washer?" And even if our indirect tax on power is the highest in the world, people nevertheless keep purchasing power. And despite the fact that they will have to pay twice the production price for it. That is an indication that the consumers appreciate the power," the deputy chairman of the Association of Danish Power Plants states.

"Incidentally, via our consultant services, we have a long tradition for making people use electric power sensibly. However, it is not our task to determine politically the amount of power people shall be allowed to use."

Georg Styrbro points out that it may become difficult complying with the current environmental standards unless the power plant sector is permitted to discard its old plants. "They are dangerous, and they use about 20-30 percent more coal than the new plants."

For the time being, the construction of the Avadøre power plant and the expansion of the Amager power plant near Copenhagen continue, and the planned expansion of Fynsværket [the Funen Power Plant] has also been approved politically. However, in the most recent energy policy debate of the Folketing, the Social Democratic energy policy spokesman, former Minister of Energy Poul Nielson, pointed out that the Social Democratic Party will postpone its decision on the construction of new large power plant units as long as possible.

The planning stage, the evaluation by the authorities, and the construction of a new unit, however, take approximately 6-8 years, which is the background for the growing pressure on the part of the Association of Danish Power Plants.



Key:

- (1) Consumption and capacity
- (2) 20 percent reserve power capacity
- (3) Maximum annual load, i.e. power consumption on the coldest days of the year.
- (4) Power plant capacity reserved for district heating, or which is subject to long-term reconstruction
- (5) "Retired" power plant units, i.e., 25 years old or older
- (6) Power plant units regularly in operation, under 25 years of age
- (7) Decentralized heat power plants and windmills

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